

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2166

Title: Modern Slavery Statement

Executive Summary:

The Modern Slavery Act 2015 (the Act) requires commercial organisations to prepare annually a slavery and human trafficking statement setting out the steps taken to ensure their supply chains are free from slavery and human trafficking.

The GLA and its two companies – Greater London Authority Holdings Limited and GLA Land and Property Limited, which are commercial for the purposes of the Act – adopted, for the first time, a Modern Slavery Statement in autumn 2016. The statement has been updated and was previously approved in draft by the boards of the two companies. It now needs to be signed by the Executive Director to give it effect.

Decision:

The Executive Director agrees, in his capacity as a GLA Executive Director and as a Director of both Greater London Authority Holdings Limited and GLA Land and Property Limited, that:

- the appended modern slavery statement for the financial year 2016/17 is adopted by the GLA, Greater London Authority Holdings Limited and GLA Land and Property Limited.

Authorising Director

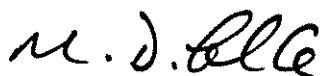
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Martin Clarke

Position: Executive Director of Resources

Signature:



Date:

2.10.17

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

The Modern Slavery Act 2015

- 1.1. The Modern Slavery Act 2015 was designed to eliminate slavery, servitude, forced or compulsory labour and human trafficking ('modern slavery') in organisations and their supply chains by:
- i. increasing transparency as to what steps, if any, any organisation is taking to combat slavery and trafficking;
 - ii. consolidating criminal offences for slavery and trafficking;
 - iii. remedying victims;
 - iv. providing for greater identification and reporting of slavery and trafficking;
 - v. creating new civil sanctions; and
 - vi. creating an Independent Anti-slavery Commissioner.
- 1.2. One of the main provisions of the Act, relating to (i) above, is section 54 that requires every organisation carrying on a business in the UK with a total annual turnover of £36m or more to produce a modern slavery statement. The statement must cover the prior financial year – and so be refreshed annually – and Government guidance is that it should be published within six months of the end of that financial year. It should describe what action the organisation has taken to ensure their supply chains are free from modern slavery and must be published on the organisation's website with a link from its homepage.

The GLA's Modern Slavery Statement

- 1.3. It is proposed to adopt the same approach this year as for the 2015/16 statement: that the GLA adopts one statement covering the Authority (though not commercial in of itself) and its two companies (which are commercial for the purposes of the Act). This reflects the priority the GLA places on tackling modern slavery and the interconnectedness of the objectives and functions of the three entities.
- 1.4. The GLA's statement is also closely aligned with that adopted by Transport for London and its subsidiaries. The logic for this is that the GLA's procurement function is provided by TfL – and the main focus of the statement is tackling modern slavery in supply chains. In addition, the GLA Group shares a Responsible Procurement Policy and this provides for further alignment in practices. The Policy, first adopted in June 2006 and updated in June 2017, has six themes including 'promoting ethical sourcing practices'.
- 1.5. The content of the statement is not prescribed in legislation and the Government's guidance does not detail a recommended approach. The GLA has chosen to structure its statement so it describes:
- i. the purpose of the GLA, its companies and the nature of their supply chains;
 - ii. the extant policies and procedures to reduce the risk of modern slavery in supply chains;
 - iii. due diligence arrangements;
 - iv. monitoring arrangements; and
 - v. awareness and engagement activities.
- 1.6. The proposed format and content of the 2016/17 statement is in line with the 2015/16 version, updated accordingly. The main change is to reflect the aforementioned updates to the Responsible Procurement Policy.

About the GLA's companies

- 1.7. In January 2012, the then Mayor established two companies (see MD937): Greater London Authority Holdings Limited and GLA Land and Property Limited (the latter is commonly referred to as GLAP). This was done to facilitate compliance with the Localism Act 2011 concerning the commercial activities of the Homes and Communities Agency in London, the London Development Agency and the London Thames Gateway Development Corporation which were devolved to the Greater London Authority (GLA) on 1 April 2012.
- 1.8. The two companies' boards agreed a draft statement at their Annual General Meetings on 12 June 2017. The boards also agreed to delegate to a director approval of the final statement. The Executive Director of Resources can therefore agree the statement for the GLA and for the two companies in his role as a director of each, noting the final statement is essentially unchanged from the draft that went to the AGMs.

2. Objectives and expected outcomes

- 2.1. Publishing a modern slavery statement will:
 - i. meet legal requirements falling on the GLA's two companies;
 - ii. demonstrate the GLA's commitment to tackling modern slavery; and
 - iii. serve to reinforce the GLA's approach to tackling modern slavery.
- 2.2. The Act requires the statement to be published on the company's homepage with a link from a prominent place on the homepage. Neither of the GLA's companies have a website of its own. The statement will therefore be published within the Governance and Spending section of the GLA's own website (london.gov.uk).

3. Equality comments

- 3.1. The driving purpose of the statement is to demonstrate our commitment and reinforce our approach to tackling modern slavery. Groups that are protected by the Public Sector Equality Duty are disproportionately likely to be subject to modern slavery and so the statement explicitly promotes equality.

4. Other considerations

a) key risks and issues

- 4.1. There are no significant risks that will flow from taking this decision. Indeed, adopting the statement will remove the risk of the GLA not being compliant with section 54 of the Act and reduce the – already low – risk of modern slavery within its and its companies' supply chains.
- 4.2. In any contracts that TfL procurement identifies as having high ethical sourcing risk, suppliers are required to conduct audits of their factories and sites using an independent, third party auditor.

b) links to Mayoral strategies and priorities

- 4.3. The Mayor places a high priority on making London a fairer and more equal city, including: challenging equality and intolerance; opening up opportunity; making London accessible for all; sharing the rewards of prosperity; and leading by example. Adopting a modern slavery statement strongly supports all these objectives.

5. Financial comments

- 5.1. There are no direct financial implications in regard to this decision.

6. Legal comments

- 6.1. As the requirements of the Modern Slavery Act 2015 relate to GLA's workforce and its supply chain, it is appropriate for approval of the statement to be given by the Executive Director of Resources given his areas of managerial responsibility.
- 6.2. It should also be noted that, in addition to the publication of the statement referred to above, local authorities, including the GLA, are required by section 52 of the Act to notify the Secretary of State upon developing reasonable grounds to believe that a person may be a victim of slavery or human trafficking and vigilance in this regard is therefore required.

7. Planned delivery approach and next steps

Activity	Timeline
Publish the modern slavery statement	By 29 September
Modern slavery statement refreshed	Summer 2018

Appendices and supporting papers:

Modern Slavery Statement

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Tim Somerville has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Tom Middleton has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

Corporate Investment Board

This decision was reviewed by the Corporate Investment Board on 25 September 2017

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

M. D. H. G.

Date

2.10.2017

Greater London Authority Modern Slavery Statement 2016/17

This statement sets out the steps that we, the Greater London Authority (GLA) and its subsidiary companies, have taken to address the risks of slavery and human trafficking in our supply chains pursuant to section 54 of the Modern Slavery Act 2015. It outlines the policies and processes we have in place, the areas we have identified as high risk and the actions we have taken to mitigate such risks.

Our organisation and supply chains

The GLA is the strategic authority for London. It has a broad remit but specific responsibilities for spatial development, housing, environment, economic development, culture and health. In addition, the GLA has a general power to promote economic development and social development and to improve London's environment.

The GLA has since its inception evolved and as well as its strategic remit it now has delivery powers in housing, land and regeneration.

The GLA Act and GLA (Specified Activities) Order requires the GLA to channel all its commercial activities through a trading company so as to create a level playing field with the private sector on tax. The company in question is GLA Land and Property Limited (GLAP). The GLA has also established an umbrella company: Greater London Authority Holdings Limited (GLA Holdings), which could provide the scope for a tax group for accounting purposes for a number of trading companies were the GLA ever to have more than one.

In 2016/17, we spent circa £55m on goods and services with over 800 suppliers. Our supply chains are generally simple and involve predominantly UK companies. Nevertheless, we do source goods and services from further afield from time to time and we recognise the importance of taking appropriate steps to reduce the risk of modern slavery in its supply chains.

The procurement function of the GLA and by extension its companies are managed by Transport for London (TfL) as part of a shared service agreement. This brings economies of scale and allows the GLA to benefit from TfL's expertise as an organisation that spent some £6bn on goods, works and services with over 6,000 tier 1 suppliers and with supply chains spanning beyond the UK to Europe, Central and Northern America and Asia. It also allows us to take a common approach and joint action to address the risks of modern slavery in our supply chains.

Our policies

We adopted a Greater London Authority Group Responsible Procurement Policy in 2006. This was updated in 2008 and again in June 2017. The current version consists of six themes:

- Enhancing social value
- Encouraging equality and diversity
- Embedding fair employment practices
- Enabling skills, training and employment opportunities
- Promoting ethical sourcing practices

- Improving environmental sustainability

It is the 'promoting ethical sourcing practices' theme that is most relevant. It commits us to:

- *Adopting the nine provisions of the Ethical Trading Initiative's [ETI] Base Code, or equivalent, as the standard we expect of our suppliers to support working conditions that are legal, fair and safe.*
- *Adopting a risk and opportunity based approach to identify contracts and areas of spend where there may be a high risk of poor working conditions, human rights abuses or negative impacts on security and crime. We will seek to improve transparency within the supply chain, and work with suppliers to improve any poor performance identified as part of a process of continuous improvement, reflecting existing and emerging legislation and guidance.*

As part of our commitment to ethical sourcing, through Transport for London, we published an Ethical Sourcing Policy in 2008.

Our procedures

A procurement strategy is produced for all tenders above the OJEU threshold. Labour conditions and human rights risks are considered as part of this process. Labour conditions and human rights risks are considered as part of this process, and ethical sourcing tender questions and contract requirements are included if relevant. These provisions require suppliers to detail how they comply, or are working towards complying, with the ETI Base Code, , and to disclose full details of the factories or sites they are using, or intend to use, to provide the goods or services. They require also that suppliers disclose full details of the factories or sites they are using, or intend to use, to provide the goods or services. All tenders are considered on a case-by-case basis, and additional ethical sourcing requirements are included where appropriate.

As part of our standard selection questionnaire in our tender process, prospective suppliers are asked to confirm their compliance with the Modern Slavery Act.

Due diligence

In 2006, through TfL, we became the first public sector organisation to join the ETI. In 2007, again in conjunction with TfL, we became the first public body to join Sedex. We use these memberships to maintain awareness of best practice and current developments, benchmark with other organisations, and externally verify our approach.

As part of our continued membership of the ETI, we provide an annual reporting submission which monitors trends, assesses the overall impact of our ethical sourcing activity and identifies good practices.

Previously, electronics hardware was identified as a priority category in which to address risks of modern slavery. We became an affiliate member of Electronics Watch (EW) in December 2015, with TfL. As part of EW's contractual requirements, suppliers' factories are monitored by qualified local civil societies best placed to prevent forced or coerced labour and, should this be identified, direct remedial actions on the behalf of the victims. This worker-driven approach is better placed to identify modern slavery than standard social audits, offering assurance of compliance by our suppliers – but also creating genuine sustainable change, empowering workers in the electronics hardware industry.

EW produces detailed reports assessing risks in relation to specific suppliers or sites, and regional risk assessments considering country-wide issues. We have reviewed the reports relevant to our supply

chains and used them as a basis for engaging with our suppliers to understand what they are doing to investigate and address human rights and modern slavery risks. We are now working closely with EW, other affiliates, and key suppliers to better understand how we can incorporate their best practice terms and conditions into our contracts.

Monitoring

In contracts identified as having a high ethical sourcing risk, suppliers are required to conduct audits of their factories and sites using an independent, third party auditor and make the audit reports and related corrective action plans available to us.

As part of our approach to identifying risks, we are assessing the compliance of our tier one suppliers to the Modern Slavery Act. We will be using this assessment to engage with our suppliers as part of the new Supplier Relationship Management approach we are developing. We will also investigate using the 'Stronger2gether Construction Toolkit' to address risks on infrastructure projects.

Approval of this Statement

Authority to approve this final version of the Statement on behalf of GLA Land and Property Limited (GLAP) and Greater London Authority Holdings Limited was delegated by their respective Boards on 12 June 2017 to Martin Clarke, a Director of both companies (and Executive Director of Resources at the Greater London Authority). Martin Clarke is also able to approve this statement on behalf of the GLA under the standing delegation given via Mayoral Decision-Making in the GLA. His approval is given by virtue of the signature below.

Signature:

M. D. Clarke

Date:

2. 10. 2017

