

# Modern Slavery Statement

2023 - 24

September 2024

## 1. Introduction

At The Skills Development Scotland Co. Limited (“SDS”) we recognise the responsibilities under the Modern Slavery Act 2015 (the “Act”). In voluntary compliance with the provisions of Section 54 of the Act, this statement sets out the steps we have taken during the financial year ending 31 March 2024 to prevent the risk of modern slavery or human trafficking taking place in any part of the organisation or our associated supply chains. This statement summarises the actions and activities carried out by SDS in order to better understand the potential risks of modern slavery and human trafficking and the systems and controls that have been introduced to mitigate those risks. We will review this statement annually.

## 2. About SDS

We are a Non-Departmental Public Body and Scotland’s national skills agency. Our ambition is that skills contribute to a thriving, productive and inclusive Scotland. The key to Scotland’s future prosperity is to ensure that its people and businesses are inspired and enabled to develop the right skills for a changing world.

We achieve this through intelligence-led delivery of Scotland’s Career Service, apprenticeships, and other learning and skills interventions in support of Scottish Government ambitions. To make this happen, SDS collaborates extensively across the education and skills system. By sharing expertise and intelligence, we enable the development and delivery of innovative solutions to Scotland’s skills and labour market challenges.

Further details on SDS’s strategic approach and operational activities can be found in *Skills for a Changing World*, our [Strategic Plan 2022-27](#), published in November 2022. Further information about SDS can also be found at: <https://www.skillsdevelopmentscotland.co.uk/about>.

## 3. Our Statement

We are committed to preventing the risk of instances of modern slavery and human trafficking taking place in any part of our operational activities or within our supply chains. We are committed to protecting and respecting human rights across SDS’s activities and will take, where reasonable, appropriate and possible steps to influence others to ensure slavery and human trafficking does not take place.

SDS’s Strategic Plan for 2022-2027 commits us to attract, nurture, and retain a diverse team of people that share and achieve our ambitions, demonstrating fair work practices. We have a formal recognition agreement in place with Unison and Public and Commercial Services union (PCS) and take an active partnership approach to employee relations in line with our fair work commitment. SDS Early Concerns and Grievance Policy enables employees to raise concerns relating to their employment and for these to be considered in line with ACAS’s Code of Practice. Our Human Resources Policies confirm our commitment to workplace rights for employees and we promote our [Code of Conduct](#) to ensure an environment based on dignity and respect, that does not condone or allow bullying, harassment, discrimination or any other unacceptable behaviour. Additionally, our [Fraud and Financial Irregularity Policy](#) and [Whistleblowing Policy & Procedure](#) provide staff with the means to report improper conduct or unethical behaviour. Such policies are reviewed on a regular basis, at times of legislative change and following feedback as required.

In compliance with the Procurement Reform (Scotland) Act 2014, SDS's [Corporate Procurement Strategy 2021 - 2025](#), along with our [Procurement Policy](#), set out our principles and approach to ensuring responsible and sustainable procurement practices. These include:

- SDS's adoption of Fair Work First ("FWF") and our expectations in connection with this from suppliers and grantees;
- The requirement on SDS to adhere to the public sector equality duty;
- Seeking future opportunities to utilise the Supported Businesses framework;
- Continuing to work with small and medium sized organisations;
- Seeking community benefits for relevant contracts; and
- SDS's modern slavery policies and training.

Further, our [Prevention of Modern Slavery in Procurement Policy](#) sets out the specific measures being used by the Procurement Team to mitigate the risk of modern slavery in our supply chains and specifies the warning signs to which all staff should be vigilant.

In addition, SDS has complied with the requirements of the Prompt Payment in the Supply Chain Scottish Procurement Policy Note (SPPN 02/2022) from 1 June 2022. This requires an assessment to be carried out for all relevant procurement processes on a supplier's past payment performance to ensure 95% of invoices were paid on time and the inclusion of relevant provisions in our terms and conditions to ensure all suppliers who have sub-contractors in our supply chain are paid within 30 days. These measures are intended to ensure sustainability and resilience in supply chains, are the ethical and socially responsible thing to do and could also mitigate the risk of modern slavery and human trafficking occurring in our supply chain.

During the financial year, we considered whether it would be appropriate for SDS to prepare and introduce a supplier code of practice. As part of this, we reviewed various different supplier codes of conduct and compared the requirements of the codes of conduct with our standard terms and conditions. The majority of the provisions within the codes of conduct are included in our standard terms and conditions (including requirements on a supplier to comply with all rules and regulations (including the Equality Act 2010), have appropriate standards for its organisation and supply chain regarding legal, ethical and social issues and also not to act in a way that would damage SDS or bring SDS into disrepute). As such, a decision was made that a separate supplier code of conduct was not required at this stage but this will be kept under review. In addition, we note that contracts entered into by SDS under certain Crown Commercial Services frameworks, including the G-Cloud 13 framework, include a requirement on suppliers to comply with the standards set out in the UK Government's Supplier Code of Conduct available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1163536/Supplier Code of Conduct v3.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1163536/Supplier_Code_of_Conduct_v3.pdf).

SDS has a detailed process in place for the development of policies. An internal guidance document sets out the process to follow, and the support available for colleagues, when developing a new policy or reviewing an existing policy. The SDS Executive Governance Board ("EGB") has responsibility for the approval/endorsement of all new and revised policies prior to their internal or external publication. In line with audit recommendations from 2021, the SDS Planning and Policy Team maintains a tracker of all SDS policies and reports their status regularly to the SDS Board's Audit and Risk Committee, the EGB, and all Policy Owners. Our policy management process is designed to ensure that SDS effectively prioritises its policies for review. This approach considers weighted risk factors which include whether the policy relates to a statutory responsibility, whether it is used as an internal risk control, and the time since it was last reviewed. If a policy is identified as being priority for

review, the policy owner is informed, and asked to review the policy within an expected review deadline.

Our employees can access policies through our intranet and certain policies are published on our external website for third parties, including suppliers, to access. IT suppliers are also provided with copies of relevant IT policies.

## 4. Our Supply Chains

Our supply chain includes, for example, Training Providers, IT suppliers, Facilities Management, and recruitment agencies. With all contractors, SDS encourages ethical sourcing which mitigates the risk of modern slavery further down our supply chains.

We internally review Training Providers in our supply chain by undertaking a Programme of Monitoring or Reviews of Skills and Training Programme Suppliers which includes checks on learner eligibility (Payment Terms and Conditions Compliance Monitoring), learner experience (National Operations Quality Reviews) and learner feedback (National Operations Skills Investment Adviser participant interviews). These arrangements provide several touchpoints for anyone with concerns about human trafficking to speak with and/or raise concerns with SDS. SDS also co-ordinate a Complaints/Concern Portal on our corporate website for anyone to raise any issues. Additionally, we include contractual clauses which allow us to audit contractors which include rights to site visits for our National Training Programmes. If any concerns relating to slavery and human trafficking were to be raised or highlighted in connection with a supplier, we would investigate the matter and take appropriate action.

As noted in previous modern slavery statements, our standard terms and conditions for the purchase of goods and services include a clause requiring compliance with anti-slavery and human trafficking laws, in addition to a general requirement to comply with all applicable laws. This clause requires a supplier to:

- comply with all applicable anti-slavery and human trafficking laws, including the Act and the Human Trafficking and Exploitation (Scotland) Act 2015;
- not engage in any activity, practice or conduct that would constitute an offence under the Human Trafficking and Exploitation (Scotland) Act 2015;
- include a similar provision within its sub-contracts;
- notify us if the supplier becomes aware of any actual or suspected slavery or human trafficking in the supply chain relating to the Contract;
- maintain records to trace the supply chain of all goods and services provided to us and provide us or our representatives with access to such records; and
- warrant that the supplier has not been convicted of any offence involving slavery and human trafficking or been subject to any investigation, inquiry or enforcement proceedings regarding any such offence or alleged offence.

Similar wording is also included in our template Framework Agreement and Call-off terms and our standard Modern Apprenticeship Programme Conditions. In addition, wording has been added to our template grant offer to require grantees to comply with their obligations under all applicable anti-slavery and human trafficking legislation.

We conducted a review of the appropriateness of the anti-slavery and human trafficking compliance clause, including considering potential alternatives, previously and noted that the provisions included in this clause are fairly standard and are proportionate for our purposes. In addition, during the financial year, we considered whether the SDS anti-slavery and human trafficking compliance clause was in line with clauses included by other public sector bodies and confirmed that the clause does appear to be similar. Following on from this review, we introduced an additional optional supply chain transparency clause for use in SDS's standard

terms and conditions for the purchase of goods and services in higher risk contracts, together with guidance for the procurement team. This optional clause includes additional requirements on a supplier, including: (i) to ensure organisations in its supply chain have a supplier code of conduct or supplier policy, (ii) to provide an annual written report on monitoring and improving labour standards and working conditions in its supply chain and (iii) to ensure certain practices are not used in its supply chain (for example forced or child labour). We will continue to review the appropriateness of our standard anti-slavery and human trafficking clause at regular intervals.

It was also considered whether any additional specific modern slavery requirements should be added to our standard Modern Apprenticeship Programme Conditions, however, the current provisions appear to be appropriate for the Modern Apprenticeship Programme.

We previously considered whether any specific anti-slavery and human trafficking audits should be conducted on SDS's suppliers and also considered during the financial year ended 31 March 2024, whether it would be appropriate for SDS to consider whether suppliers have published modern slavery statements (if required to do so). However, given resource and knowledge implications, it would not appear to be proportionate to the identified modern slavery risk in SDS's activities to carry out anti-slavery and human trafficking audits or to check for supplier published modern slavery statements.

## 5. Our Procurement Activity and Due Diligence

The risk of modern slavery in SDS's activities is considered low. However, we recognise the potential risks linked to the extended and indirect supply chain of goods and services. For SDS, such risks are reduced as procurement of goods and services are increasingly sourced through framework agreements (such as Scottish Procurement or Crown Commercial Services). All of our prime contractors (where applicable) are also required to complete a Single Procurement Document Questionnaire which includes a question on child labour and other forms of trafficking in human beings to gain assurances that these crimes are not present in the contractor's business, as set out in our [Best Practice Guidance Note on Modern Slavery in Procurement](#). Any sub-contractors that our contractors are relying on are also required to complete a Single Procurement Document Questionnaire. The extent of due diligence that we are able to conduct is proportionate to the questions included in the Single Procurement Document Questionnaire and the identified modern slavery risks in SDS's activities. SDS's procurement team also utilise the national sustainability test tool and associated supported guidance to identify the risks or influence of high value contracts.

We undertook a review of the Home Office's Modern Slavery Assessment Tool to consider whether it would be proportionate to use based on the SDS's identified risks. This would be onerous on procurement resources and on suppliers for most if not all of SDS's contracts, however, procurement can utilise this as and when required.

We previously reviewed the British Standards Institution's British Standard on modern slavery (BS 25700:2022 Organizational responses to modern slavery – Guidance) to further consider the risk of modern slavery in SDS's activities. This includes a number of modern slavery risk factors and the majority of those that are deemed to have the ability to increase the risk of modern slavery are not applicable to SDS's activities.

Additionally, SDS considers FWF for all regulated procurements in a relevant and proportionate manner. When FWF applies to any contract, we will evaluate with a relevant weighting if required and evaluate each submission. SDS will continuously monitor progress against tender submissions throughout the contract lifetime and support suppliers to deliver on their commitments to FWF. For contracts of lower value or where FWF does not apply, contract managers will have an awareness of the signs of modern slavery through training and awareness (including our Best Practice Guidance Note on Modern Slavery in

Procurement). SDS has also incorporated FWF in SDS grant funding requirements in line with updated FWF guidance from 1 July 2023.

Within our National Training Programmes there are strict Programme Specifications and Conditions which clearly highlight requirements and consequences for non-compliance (including sub-contractors).

We also require all employees and agency workers to complete pre-employment checks. Such checks include ensuring the individual is of legal age to work, has the right to work in the UK, verifying the individual's ID to check identity, the provision of references and PVG checks (where relevant). In addition, in line with the Employment Rights Act 1996, employment contracts are issued to all new SDS employees prior to employment commencement and SDS's template employment contracts are continuously reviewed for statutory compliance and policy consistency.

## 6. Staff Training and Awareness

Working in partnership with our recognised Trade Unions we have embedded the fair work principles into the way we work, incorporating effective voice, fulfilment, opportunity, respect and security into our strategic plan.

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, and to further promote understanding and awareness, we have produced an e-learning module. Partnered with internal comms (including our Procurement Policy), this training is intended to improve the understanding and awareness of modern slavery across the organisation.

The e-learning module was updated during the financial year ending 31 March 2022 and was issued to staff in May 2022. It is now mandatory for all staff to complete the module, which is intended to raise awareness of the risks of modern slavery, our obligations, how to report instances of modern slavery internally and to the police and notify staff of the Modern Slavery helpline. We are also able to run reports on the volume of staff who have undertaken the training and any failure to complete the training within the required timescale will be flagged to people managers and reported to the relevant Heads of Service. The module will be reviewed and updated as and when required.

The procurement team also provided an update to SDS departments in July 2023 on the process to report any suspicions of modern slavery, which included reference to the Modern Slavery helpline. We have also provided staff with information on our intranet to advise colleagues of our approach to FWF and how that informs our practices.

## 7. Our Effectiveness in Combating Slavery and Human Trafficking

We use the following to measure how effective we have been to prevent the risk of slavery and human trafficking taking place in any part of our business or supply chains:

- Effective use of appropriate pre-employment checks in all instances;
- Modern Slavery e-learning mandatory for all SDS personnel; and
- Supplier selection checks.

In addition, we have considered potential KPIs to measure our effectiveness in preventing the risk of slavery and human trafficking taking place in any part of our business and supply chain and going forward, will monitor: (i) the number of reported instances of modern slavery in SDS's supply chain, and (ii) the completion rates of SDS's modern slavery e-learning module.

In addition, SDS supplier KPIs are considered on a case by case basis and the Procurement team provide guidance to departments on the setting of KPIs for contracts over £50,000 in line with early engagement and timelines to ensure that any KPIs do not put undue pressure on suppliers, which could increase the risk of modern slavery or human trafficking in our supply chain. This is also discussed where relevant for other tenders, such as the Modern Apprenticeship contract, and potential labour issues if timelines are pushed. Any contractual KPIs in general are discussed during contract management meetings.

**This statement is made voluntarily pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31 March 2024. It was approved by the board on 4 September 2024.**



**Damien Yeates**

**Chief Executive**

**The Skills Development Scotland Co. Limited**

**Date: 5 September 2024**