

Modern Slavery Statement

2022 - 23

September 2023

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 2023 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 Scotland’s national skills agency. Our ambition is that skills contribute to a thriving, productive and inclusive Scotland.

Collaborating extensively, we work to deliver our vision for an agile, dynamic, and employer-led skills and careers ecosystem which enables all people to develop the skills, adaptive resilience, and personal agency to thrive in a vibrant and inclusive labour market.

Through intelligence-led delivery of Scotland’s Career Service, Apprenticeships and other learning and skills interventions, and the sharing of expertise and insight, we inspire and enable people and businesses to develop the right skills for a changing world. In doing so, we aim to generate the change that will lead to inclusive growth, greater productivity, a more prosperous and skilled workforce, and a fairer, more equal society.

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.

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 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 and 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.

Throughout the financial year we reviewed and considered the recommendations in certain guidance documents relating to modern slavery, including the possibility of including human rights performance standards in a code of conduct for suppliers. SDS does not currently have a supplier code of conduct in place but we intend to consider the appropriateness of preparing and introducing such a code as an area of improvement.

4. Our Supply Chains

Our supply chain includes 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 our previous modern slavery statement, our standard terms and conditions for the purchase of goods and services now 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.

We have also included similar wording within our template Framework Agreement and Call-off terms.

During the financial year, we conducted a review of the appropriateness of the anti-slavery and human trafficking compliance clause, including considering potential alternatives. However, the provisions included in this clause are fairly standard and are proportionate for our purposes. Following this review, similar wording was added to our standard Modern Apprenticeship Programme Conditions with effect from 1 April 2023. We will continue to review the appropriateness of this clause at regular intervals.

We have also considered, as part of a review of certain guidance documents, whether any specific anti-slavery and human trafficking audits should be conducted on SDS's suppliers. However, given resource and knowledge implications, this would not appear to be proportionate to the identified modern slavery risk in SDS's activities.

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 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 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. We intend to undertake a review of the Home Office's Modern Slavery Assessment Tool to consider whether it would be proportionate to use this based on the SDS's identified risks.

During the financial year ending 31 March 2023, we reviewed the British Standards Institution's new 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).

FWF was also considered in a fair and proportionate manner for all SDS grants using the same methodology applied to contracts during the financial year ending 31 March 2023. Going forward, SDS will incorporate FWF in any SDS grant funding requirements in line with the Bute House Agreement and updated FWF guidance.

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).

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.

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;
- Supplier selection checks.

During the financial year we also considered potential KPIs in connection with measuring our effectiveness in preventing the risk of slavery and human trafficking, however, any KPIs would be difficult to determine given SDS's activities but we will continue to monitor this.

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 2023. It was approved by the board on 13 September 2023.



Damien Yeates

Chief Executive

The Skills Development Scotland Co. Limited

Date: 26 September 2023