



Report of the Cabinet Members for Commercial Opportunities & Innovation and Service Transformation & Business Operations

Council – 26 April 2018

Code of Practice – Ethical Employment in Supply Chains

Purpose:	To seek Council endorsement to sign up to the code of practice
Policy Framework:	Adoption of new Code of Practice – Ethical Employment in Supply Chains.
Consultation:	Finance, Legal, Commercial Services, Access to Services
Recommendations	It is recommended that: 1) Council endorsement is sought to allow sign up to the Code of Practice; 2) The action plan is noted and delegated to the Director of Place to implement.
Report Author:	Martin Nicholls
Finance Officer:	Paul Roach
Legal Officer:	Debbie Smith
Access to Services Officer:	Sherill Hopkins

1. Overview

- 1.1 The Ethical Employment in Supply Chains Code of Practice has been established by the Welsh Government to support the development of more ethical supply chains to deliver contracts for the Welsh public sector and third sector organisations.
- 1.2 The Code has 12 commitments and is designed to ensure that workers in public sector supply chains are employed ethically and in compliance with UK, EU, and international laws. The Code covers the following employment issues:

- Modern Slavery and human rights abuses;
- Blacklisting;
- False self-employment;
- Unfair use of umbrella schemes and zero hours contracts; and
- Paying the Living Wage.

- 1.3 The Welsh Government intends that all Welsh public sector organisations should sign up to the Code of Practice, however there is no legal obligation to do so. Third sector organisations in receipt of public funds, businesses based in Wales and businesses involved in Welsh public sector supply chains will also be encouraged to adopt the Code.
- 1.4 The Council has already been undertaking or planning to undertake actions to address the majority of the 12 commitments within the Code of Practice (**Appendix A**). In light of this, the Council has been invited to be an early signatory to the Code.
- 1.5 The Welsh Government has developed a range of toolkits to support the delivery of the 12 commitments contained within the Code of Practice, the toolkits provide guidance and support to organisations.
- 1.6 The Council has established a working group to address the 12 commitments. The working group has a membership of Members, Officers and Trade Unions and involves working together to progress on the development of the Code. The Trade Unions are supportive of the approach.
- 1.7 The Council is already undertaking or planning to undertake actions to address the majority of the 12 commitments within the Code. The action plan (**Appendix B**) includes having a written whistle-blowing policy, written policy on ethical employment and amending the Councils standard terms and conditions and tender documents.
- 1.8 The introduction to the Code of Practice confirms that action taken in relation to the 12 commitments contained within the Code should be appropriate and proportionate, in line with the size and influence of each organisation and the level of risk of labour exploitation within its supply chain. This is designed to minimise the impact on SME's
- 1.9 The Code requires signatory organisations to appoint an Anti-Slavery and Ethical Employment Champion; this appointment has been confirmed as Cllr Clive Lloyd, Deputy Leader.
- 1.10 The implementation of the Code of Practice will be monitored in terms of the impact that it has on the Council resources. It is anticipated that if a risk-based approach to managing contractors and suppliers is undertaken then management of the Code could potentially be met from within existing resources coupled to some additional staff training but this will require ongoing review.

- 1.11 If Council agree to the signing up to the Code of Practice, then the Council's standard tender documentation will be reviewed and the relevant new clauses inserted. The Code would be implemented for new tenders from April 2018 to allow for all tender documentation to be amended and associated training to be provided to Procurement Officers.
- 1.12 In signing up to the Code, the Council would be expected to produce an annual written statement outlining the steps taken during the financial year to ensure that slavery and human trafficking are not taking place in any part of the Council and its supply chains.
- 1.13 The commitment to sign up to the Code of Practice is contained within the Council's Commercial Strategy and fully aligned to the ongoing work of the Transformation PDDC in relation to eliminating the barriers in the procurement process, particularly for SME's.

2. Recommendations

- 2.1 It is recommended that Council endorse the Code of Practice allowing the Council to notify Welsh Government that it wishes to sign up to the Code.

3. Equality and Engagement Implications

An initial EIA screening (**Appendix C**) has been carried out indicating that a full assessment is not required. Any changes to council policy arising out of the adoption of the code will be dealt with on their own merits and separately assessed as part of the programme.

4. Financial Implications

- 4.1 There are no specific financial implications arising from the decision to sign up to the code. Any specific aspects, which would affect Council budgets, would be subject to separate decisions as and when they arise.

5. Legal Implications

- 5.1 There are no specific legal implications arising from the decision to sign up to the code. Any specific aspects with implications that require changes will be dealt with, including any amendments to the Council's Constitution and Contract Procedure Rules.

Background Papers: None

Appendices:

Appendix A: Code of Practice

Appendix B: Action Plan

Appendix C: EIA Screening Form