

SUBJECT: Code of Practice – Ethical Employment in Supply Chains

MEETING: Cabinet

DATE: 6th November 2019

DIVISION/WARDS AFFECTED: All

1. PURPOSE:

In March 2017, Welsh Government produced a “ Code of Practice, Ethical Employment in Supply Chains”. It is the intention of Welsh Government that all public, private and third sector organisations, in receipt of Welsh public sector funding adopt the Code.

The Code of Practice was developed in response to the Modern Slavery Act 2015 and the Well-being of Future Generations (Wales) Act 2015 and has been designed to ensure that workers in public sector supply chains are employed ethically and in compliance with both the letter and spirit of UK, EU and international laws.

2. RECOMMENDATIONS:

1. To approve sign up to the Code of Practice Ethical Employment in Supply Chains.
2. To approve the establishment of a working group with representatives from Procurement, Social Services Commissioning, Safeguarding, Corporate Training, Economic Development, Human Resources, and Legal Services to create an action plan and to develop and monitor the required outcomes.

3. KEY ISSUES:

The Welsh public sector spends around £6bn every year on goods, services and works involving international supply chains. A huge range of goods, works and services are purchased by every part of the public sector but the uniting factor is that people are involved in each stage of these supply chains.

It is therefore vital that, at every stage, there are good employment practices for the millions of employees. Good employment practices, which empower and reward workers, help to improve the quality of life of people here in Monmouthshire, Wales and further afield and, in turn, result in better quality goods, works and services.

Although slavery was outlawed many years ago, and is illegal throughout the world, it is an endemic problem in some industries and in some parts of the world. Indeed, cases of people being held in conditions of modern slavery have been discovered within Wales. We must

therefore do more to ensure these practices cannot take place in Monmouthshire, Wales and in our public sector supply chains across the world.

The Code of Practice covers the following salient 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.

The Code of Practice has 12 commitments and can be summarised as follows:

1. To develop a written policy on Ethical Employment and the appointment of an Anti-Slavery Employment Champion.
2. A written Whistle-blowing Policy
3. Training for Modern Slavery and Ethical Employment Practices.
4. Ensure that procurement documentation references ethical employment considerations.
5. Work with suppliers in a manner that doesn't contribute to modern slavery or unethical employment practices.
6. An expectation that our suppliers will sign up to the Code of Practice.
7. To carry out periodic reviews of our third party expenditure to identify and address issues of modern slavery, human rights abuses and unethical employment practices.
8. Ensure that false self-employment is not undertaken and that umbrella schemes and zero hours contracts are not used unfairly.
9. Ensure that workers are free to join a trade union and that blacklisting is prohibited.
10. Consider paying all staff the Living Wage Foundation's Living Wage as a minimum and encourage suppliers to do the same.
11. Produce an annual written statement outlining the steps taken during the financial year, and plans for future actions, to ensure that slavery and human trafficking are not taking place in any part of our organisation and our supply chains.
12. Ensure that all those undertaking work on an outsourced contract are treated fairly and equally including staff that are transferred retaining their terms and conditions of employment and that other staff employed have comparable terms and conditions of employment.

4. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):

By signing up to the "Code of Practice Ethical Supply Chains", there will be significant positive benefits, in particular for a prosperous Wales, A Healthier Wales, A more Equal Wales, A Wales of Cohesive Communities & a Globally Responsible Wales.

There are no negative impacts to signing up to the Code of Practice or delivery of the commitments.

5. OPTIONS APPRAISAL

Not applicable

6. EVALUATION CRITERIA

In line with commitment 11, the creation of an Ethical Supply Chain Working Group will be tasked with the production of an annual written statement which will outline the steps that have been taken over the previous 12 months and actions for the forthcoming 12 months. This information will be shared via the Council's website.

7. REASONS:

The "Code of Practice Ethical Employment in Supply Chains" 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 in receipt of public funds.

Evidence illustrates that unethical employment practices are taking place in supply chains throughout Wales and beyond.

This Code is designed to ensure that workers in public sector supply chains are employed ethically and in compliance with both the letter and spirit of UK, EU, and international laws. The Welsh Government expects all public sector organisations, businesses and third sector organisations in receipt of public sector funding to sign up to this Code of Practice.

8. RESOURCE IMPLICATIONS:

The successful implementation of the 12 commitments that make up the "Code of Practice Ethical Employment in Supply Chains" will not require any additional financial implications other than some dedicated officer time.

9. CONSULTEES:

Senior Leadership Team
Cabinet

10. BACKGROUND PAPERS:

Welsh Government Code of Practice Ethical Employment in Supply Chains 2017

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12. CONTACT DETAILS:

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