

CABINET

Date of Meeting	Tuesday, 19 th June 2018
Report Subject	Code of Practice on Ethical Employment in Supply Chains
Cabinet Member	Cabinet Member for Corporate Management and Assets
Report Author	Chief Officer (Governance)
Type of Report	Strategic

EXECUTIVE SUMMARY

Welsh Government has produced the Code of Practice on Ethical Employment in Supply Chains to improve procurement practice in Wales and secure greater social benefit from public expenditure.

All public sector bodies are encouraged to adopt the Code.

The Code fits with the Council's own practices and beliefs as a social responsible and ethical organisation. . The Code is challenging in places and the Council has reviewed the practicality of implementing the Code in full form.

RECOMMENDATIONS

1	That the Council adopts the Code in partnership with the recognised trade unions. Flintshire embraces the principles which underpin the Code as a socially and responsible and ethical public body.
2	That the Code be implemented as far as is practicable and affordable, with an action plan to be developed in partnership with the local recognised trade unions.

REPORT DETAILS

1.00	BACKGROUND
1.01	<p>The public sector in Wales spends around £6bn per annum on goods, services and works. The Welsh Government (WG) produced its Code on Ethical Employment in Supply Chains (“the code”) to ensure that those suppliers attain the highest standards of ethical employment. A copy of the code is attached at Appendix 1.</p> <p>The Code is designed to tackle:</p> <ul style="list-style-type: none">• modern slavery• blacklisting• false self-employment• unfair use of umbrella schemes and zero hours contracts• paying the living wage
1.02	<p>The Council already has arrangements in place through its Contract Procedure Rules and procurement practices to prevent its suppliers from utilising many of these practices. The Code is an extension to current practice but the commitments required under the Code support the Council’s own values and principles.</p>
1.03	<p>The Code contains 12 commitments (equating to 34 actions) that seek to prevent unethical employment practices such as:</p> <ul style="list-style-type: none">• Ensuring that employment practices are considered as part of the procurement process• Requiring suppliers to sign up to the Code themselves• Making it possible for people to raise concerns about unethical or unlawful employment practices• Training officers who procure goods, services and works on how to tackle issues such as modern slavery <p>The Council has undertaken an impact assessment of the Code. Many (32 out of the 34) of the processes necessary to implement the commitments are either in place already or can be implemented.</p>
1.04	<p>The Code sets some commitments that might not be achievable. These are shown in the appendix with supporting note. Whilst the Code would aim to achieve these commitments it could only do so far as is practicable and affordable.</p>
2.00	RESOURCE IMPLICATIONS
2.01	<p>As set out in appendix 1.</p>

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	<p>Consultation has taken place with Welsh Government, the Welsh Local Government Association and officials of the recognised trade unions locally.</p> <p>The Council and the local trade unions agreed the following joint statement: “Flintshire County Council adopts the Code of Ethical Employment in Supply Chains in partnership with the recognised trade unions. Flintshire embraces the principles which underpin the code as a socially responsible and ethical public body. The Code will be implemented, as far as in practicable and affordable, through a joint action plan with the local recognised trade union representatives. The Council is encouraging its public sector and third partners to similarly adopt the Code.”</p>

4.00	RISK MANAGEMENT
4.01	As set out in appendix 2.

5.00	APPENDICES
5.01	<p>Appendix 1 – Code of Ethical Procurement in Supply Chains.</p> <p>Appendix 2 – Impact assessment and action plan.</p>

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Contact Officer: Gareth Owens Telephone: 01352 702344 E-mail: Gareth.legal@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>Blacklisting – the practice of not employing people who are union members.</p> <p>Modern Slavery - is defined within the Modern Slavery Act 2015. The Act categorises offences of Slavery, Servitude and Forced or Compulsory Labour and Human Trafficking.</p> <p>Umbrella Schemes – an arrangement whereby a so called umbrella company (usually some form of employment agency) provides workers who are falsely treated as self-employed for taxation purposes.</p> <p>Zero Hours contracts – a contract where an employee is obliged to work for an employer but has no fixed hours. When used unethically they can mean that a worker has no regular hours and thus no regular income but is not free/able to work for other employers.</p>