

CABINET

Date of Meeting	Tuesday, 19 th March 2019
Report Subject	Update on 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	Operational

EXECUTIVE SUMMARY

At its meeting on 19th June 2018 Cabinet adopted Welsh Government's Code of Practice on Ethical Employment in Supply Chains. The purpose of the Code is to improve procurement practice in Wales and secure greater social benefit from public expenditure.

In adopting the Code the Council committed to undertake 32 actions in order to ensure that there was no unethical employment practice amongst any of its suppliers or contractors. The commitments included obligations to:

- 1) Take active steps, such as producing a modern slavery statement (see below);
- 2) Introduce systems that would uncover and prevent unethical practice such as risk assessing whether any of our suppliers might engage in unethical employment practices; and
- 3) respond if concerns were raised with it e.g. an allegation that a supplier did not pay a fair wage to overseas suppliers.

The Chief Officer Governance has worked with Human Resources and procurement colleagues to implement the commitments. All the active steps have been undertaken. The required systems have been identified and drawn up. Further work remains to ensure that the systems are implemented and that employees are trained in their existence and use. In total 21 out of the 34 actions have been completed.

One of the active steps is to approve an annual statement on modern slavery. The statement describes the Council's actions in seeking to eradicate such unethical practice. A draft of the first such statement is attached for approval.

RECOMMENDATIONS

1	That Cabinet notes the progress in implementing the commitments under the Code of Ethical Practice in Procurement.
2	That Cabinet approves the statement on modern slavery.

REPORT DETAILS

1.00	BACKGROUND
1.01	<p>In June 2018 Cabinet adopted the Welsh Government's Code on Ethical Employment in Supply Chains ("the code") to ensure that suppliers attain the highest standards of ethical employment.</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 Code contains 12 commitments (equating to 34 actions) that seek to prevent unethical employment practices. The actions fall into 3 categories:</p> <ol style="list-style-type: none">1. those requiring the Council to take a positive step e.g. approving an annual statement on modern slavery ;2. those requiring the Council to put in place systems to uncover and prevent unethical practice such as reviewing whether of our suppliers present a high risk of unethical practice; and3. those requiring the Council to respond to complaints e.g. the Council will investigate if a supplier is reportedly blocking its employees' access to unions
1.03	<p>21 of the 34 actions are complete – see attached updated action plan. The remaining 13 actions have been scoped and implementation has been planned.</p>
1.04	<p>One of the actions required is for the Council to approve a statement outlining the steps taken/planned to ensure that slavery and human trafficking are not taking place in the Council or its supply chains. A draft of the statement is attached at Appendix 2 for approval.</p>

2.00	RESOURCE IMPLICATIONS
2.01	The action plan to implement the Code can be implemented within current resources.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None.

4.00	RISK MANAGEMENT
4.01	As set out in appendix 2.

5.00	APPENDICES
5.01	Appendix 1 – Update on implementation plan for the Code of Ethical Procurement in Supply Chains Appendix 2 – Draft Modern Slavery Statement

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

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>