

# **POLICY & RESOURCES SCRUTINY COMMITTEE**

## **27<sup>th</sup> APRIL 2018**

### **WELSH GOVERNMENT CODE OF PRACTICE – ETHICAL EMPLOYMENT IN SUPPLY CHAINS**

#### **To consider and comment on the following issues:**

That the Committee:

- Considers and comments on the proposal to sign up to the Code. In signing up, the County Council will agree to comply with 12 Commitments designed to eliminate modern slavery and support ethical employment practices.
- Considers and comments on the role of the Anti-Slavery and Ethical Employment Champion, to be appointed by the Executive Board in line with the expectations outlined in the Code of Practice Commitments.

#### **Reasons:**

- The Code of Practice has been established by Welsh Government to support the development of more ethical supply chains to deliver contracts for the Welsh Public Sector.
- To enable the Committee to formulate views for submission to the Executive Board for consideration.
- To enable the Committee to exercise its scrutiny role in relation to the Local Authority's corporate procurement function.

**To be referred to the Executive Board / Council for decision: YES**

#### **Executive Board Member Portfolio Holders:**

- Cllr. David Jenkins (Resources)
- Cllr. Mair Stephens (Council Business Manager – including Human Resources)

<b>Directorates:</b> Corporate Services / Chief Executive's	<b>Designations:</b>	<b>Tel Nos. / E-Mail Addresses:</b>
<b>Names of Heads of Service:</b> Paul R. Thomas	Assistant Chief Executive	01267 246123 <a href="mailto:prthomas@carmarthenshire.gov.uk">prthomas@carmarthenshire.gov.uk</a>
Helen Pugh	Head of Revenues & Financial Compliance	01267 246223 <a href="mailto:hlpugh@carmarthenshire.gov.uk">hlpugh@carmarthenshire.gov.uk</a>
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**EXECUTIVE SUMMARY**  
**POLICY & RESOURCES SCRUTINY COMMITTEE**  
**27<sup>th</sup> APRIL 2018**

**WELSH GOVERNMENT CODE OF PRACTICE –  
ETHICAL EMPLOYMENT IN SUPPLY CHAINS**

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. Other organisations operating in Wales from any sector are also to be encouraged to adopt the Code.

The Corporate Procurement Unit has been advised that a letter addressed to the Leader of the Council from Mark Drakeford (Welsh Government Cabinet Secretary for Finance) and Alun Davies (Welsh Government Cabinet Secretary for Local Government & Public Services), was received on the 9th February 2018, requesting the Council's adoption of the Code.

The new code covers six key subjects, containing 12 commitments, ranging from unlawful and unethical practices to good and best practice. It has been developed with the support of the Workforce Partnership Council and social partners including Unions.

The first subject is Modern Slavery, estimated to affect fifty million people worldwide including in the UK and Wales. The Code of Practice, and accompanying guidance, will enable staff to spot and deal with allegations and to identify and assess spend areas at higher risk of modern slavery and human right abuses.

The second area in the Code is Blacklisting, when workers are discriminated against if they join a Union or raise Health and Safety concerns. The Code of Practice, and accompanying guidance, contains a commitment to ensure suppliers are not using blacklists and sets out how to avoid companies that have not taken the issue seriously.

The next three areas relate to terms and conditions of employment, including zero-hours contracts, Umbrella Schemes and False Self-Employment. The Code of Practice, and accompanying guidance, will help staff to differentiate between fair and unfair practices. The Guide also includes a Fair Work Practices tender question to deal with these issues through procurement.

The final area relates to the Living Wage and contains a commitment to consider paying all staff a Living Wage as a minimum.

In signing up to the Code, organisations will agree to comply with the 12 commitments designed to eliminate modern slavery and support ethical employment practices.

If we decide to adopt the Code, a draft Action Plan has been produced (Appendix A of this report), highlighting our proposed response to each of the 12 Commitments. We will need to review our organisational and operational implications in respect of training and contract management if the Code is to be successfully implemented.

The Trade Unions raised the matter of the Code at the Corporate ER Forum (CERF) in August 2017 and are aware of the Council's intention to sign up to the Code.

<b>DETAILED REPORT ATTACHED?</b>	<b>YES</b>
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## IMPLICATIONS

We confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report.

Signed: Paul R. Thomas – Assistant Chief Executive

Helen Pugh – Head of Revenues & Financial Compliance

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
YES	YES	NONE	NONE	YES	NONE	NONE

**1. Policy, Crime & Disorder and Equalities** – To ensure ethical employment in our supply chains.

**2. Legal** – We need to ensure that the Council complies with all relevant legislation.

**5. Risk Management Issues** – The Council will be required to carry out regular reviews of expenditure and undertake a risk assessment on the findings, to identify products and/or services where there is a risk of modern slavery and/or illegal or unethical employment practices within the UK and overseas.

## CONSULTATIONS

We confirm that the appropriate consultations have taken in place and the outcomes are as detailed below:

Signed: Paul R. Thomas – Assistant Chief Executive

Helen Pugh – Head of Revenues & Financial Compliance

**1. Local Member(s)** – N/A

**2. Community / Town Council** – N/A

**3. Relevant Partners** – N/A

**4. Staff Side Representatives and other Organisations** – N/A

**Section 100D Local Government Act, 1972 – Access to Information**  
**List of Background Papers used in the preparation of this report:**

**THESE ARE DETAILED BELOW:**

Title of Document	File Ref No. / Locations that the papers are available for public inspection
Welsh Government Code of Practice: Ethical employment in supply chains (Last Updated: 20th June 2017)	<p><b>Cymraeg</b>  <a href="http://gov.wales/topics/improvingservices/bettervm/code-of-practice/?skip=1&amp;lang=cy">http://gov.wales/topics/improvingservices/bettervm/code-of-practice/?skip=1&amp;lang=cy</a></p> <p><b>English</b>  <a href="http://gov.wales/topics/improvingservices/bettervm/code-of-practice/?skip=1&amp;lang=en">http://gov.wales/topics/improvingservices/bettervm/code-of-practice/?skip=1&amp;lang=en</a></p>
Code of Practice for Ethical Employment launched – Welsh Government Press Release (9th March 2017)	<p><b>Cymraeg</b>  <a href="http://gov.wales/newsroom/finance1/2017/58948814/?skip=1&amp;lang=cy">http://gov.wales/newsroom/finance1/2017/58948814/?skip=1&amp;lang=cy</a></p> <p><b>English</b>  <a href="http://gov.wales/newsroom/finance1/2017/58948814/?lang=en">http://gov.wales/newsroom/finance1/2017/58948814/?lang=en</a></p>