

CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET EXECUTIVE

30th January 2018

**REPORT AUTHOR: County Councillor Aled Davies
Portfolio Holder for Finance**

**SUBJECT: Code of Practice on Ethical Procurement in the Supply
Chain**

REPORT FOR: Decision

1. Summary

- 1.1 This report seeks approval for Cabinet to sign up to the Welsh Government Code of Practice on Ethical Employment in Supply Chains (CPEESC) (See Appendix 1).

2. Proposal

- 2.1 The Welsh Government driven CPEESC was launched in March 2017 and intends for all public sector organisation businesses and third sector organisations, in receipt of Welsh public sector funding, to adopt the code.
- 2.2 The code has 12 commitments and is designed to ensure that workers in public sector supply chains are employed ethically and in compliance with both the letter and spirit of UK, EU, and international laws.
- 2.3 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.
- 2.4 The code commitments are included in the Appendix but can be summarised as:
1. A written Ethical Procurement Policy and appointment of an Anti-Slavery and Appointment of an Ethical Employment Champion
 2. A written whistle blowing policy
 3. Training for Modern Slavery and Ethical Employment Practices
 4. Employment Practices are included as part of any procurement

5. Ensure that organisations work in a way with their suppliers that doesn't contribute to modern slavery or unethical employment practices
 6. Expecting suppliers to sign up to the code
 7. Carrying Out regular reviews of Expenditure and undertake risk assessments against the code
 8. Ensure that false self-employment is not undertaken and that umbrella schemes and zero hours contracts are not used improperly
 9. Ensure that workers are free to join a trade union and that backlisting 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 its supply chains.
 12. Ensure all those undertaking work on an outsourced contract are treated fairly and equally including staff transferred retaining their terms and conditions and other staff employed have comparable terms and conditions
- 2.5 In signing up, it is acknowledged by Welsh Government that no organisation will be in a position to have fully satisfied all of the Code's commitments. Instead, signing up represents a pledge for Powys Council to commence the journey to meet the requirements of Code's commitments.
- 2.6 Some support and training is being considered by Welsh Government currently, as well as the introduction to a tailored monitoring system linked to existing procurement data systems.
- 2.7 A full assessment will be undertaken to assess Powys current position in respect of the code so that an overall plan can be developed further.

3. Options Considered / Available

- 3.1 Powys Council adopting the code and encouraging business partners and suppliers to sign up also
- 3.2 Powys Council adopting the code
- 3.3 No adoption of the code

4. Preferred Choice and Reasons

- 4.1 Powys Council adopting and signing up to the code as well as encouraging business partners and suppliers to also sign up.

4.2 Therefore ensuring that those in receipt of Powys funding commit to the code.

5. Impact Assessment

5.1 Is an impact assessment required? Yes

5.2 If yes is it attached? Yes

6. Corporate Improvement Plan

6.1 Links to the Well Being Act (We will ensure that our procurement process supports ethical procurement and Fairtrade)

7. Local Member(s)

7.1 No links to specific Local Council members

8. Other Front Line Services

8.1 Does the recommendation impact on other services run by the Council or on behalf of the Council?

8.2 If so please provide their comments

9. Communications

Have Communications seen a copy of this report? No

Have they made a comment? If Yes insert here.

10. Support Services (Legal, Finance, Corporate Property, HR, ICT, Business Services)

10.1 Legal; The recommendation can be supported from a legal point of view

10.2 Finance The contents of the report are noted. It is recommended that a full impact of the Code of Practice on Ethical Employment in the Supply Chain in Powys will need to be undertaken as part of the commitment including the financial impacts on respective budgets.

10.3 Corporate Property (if appropriate)

10.4 HR (if appropriate)

10.5 ICT (if appropriate)

11. Scrutiny

Has this report been scrutinised? No

If Yes what version or date of report has been scrutinised?

Please insert the comments.

What changes have been made since the date of Scrutiny and explain why Scrutiny recommendations have been accepted or rejected?

12. Statutory Officers

12.1 The Solicitor to the Council (Monitoring Officer) has commented as follows: "I note the legal comment and have nothing to add to the report".

12.2 The Head of Financial Services (Acting Section 151 Officer) notes the comments from Finance.

13. Members' Interests

The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

Recommendation:	Reason for Recommendation:
The Council adopts and implements the Welsh Government's Code of Practice on Ethical Employment in Supply Chains (CPEESC) as set out in Appendix 1 to the report	A voluntary requirement from Welsh Government requires all organisation in receipt of public fund to sign up to the code by 31st March 2018 . The code is in accordance the requirements of the Well Being Act 2015.

Relevant Policy (ies):	No direct link to policies but is in accord with the Well Being Act 2015 and the Modern Slavery Act 2015		
Within Policy:	Y / N	Within Budget:	Y

Relevant Local Member(s):	N/A
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Person(s) To Implement Decision:	All Services
Date By When Decision To Be Implemented:	To be developed and implemented once full assessment and an action plan agreed

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Background Papers used to prepare Report: