

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

23 January 2019

REPORT OF THE HEAD OF LEGAL SERVICES – MR C GRIFFITHS

Matter for Decision

Wards Affected: All

Ethical Employment in Supply Chain Policy

Purpose of the Report

1. To seek approval from Members to adopt the Welsh Government Ethical Employment in Supply Chains Code of Practice and to implement the Neath Port Talbot County Borough Council Ethical Employment in Supply Chains Policy.

Background

1. In the summer of 2016, the Welsh Government published their Ethical Employment in Supply Chains Code of Practice (“The Code”) (Appendix 1). The overarching aim being the development of good employment practices, which empower and reward workers, help to improve the quality of life of people here in Wales and further afield and, in turn, result in better quality goods and services.
2. The Code commits public, private and third sector organisations to a set of actions that tackle illegal and unfair employment practices. The supporting guides contain tools and advice to help put the commitments into practice.
3. All organisations that receive funding from Welsh Government, either directly or via grants or contracts, are expected to sign up to the code.
4. The Code of Practice 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.

5. 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 Code covers the following employment issues:
 - (a) Modern Slavery and human rights abuses;
 - (b) Blacklisting;
 - (c) False self-employment;
 - (d) Unfair use of umbrella schemes and zero hours contracts; and
 - (e) Paying the Living Wage
6. In signing up to the Code, organisations will agree to comply with 12 commitments designed to eliminate modern slavery and support ethical employment practices.
7. Action taken in relation to the 12 commitments contained within the Code should be appropriate and proportionate, in line with the size and influence of each organisation and the level of risk of labour exploitation within its supply chain. In reviewing these commitments we have been mindful of the various external pressures we continue to experience, information received as a result of dialogue with stakeholders, generally and specifically in relation to the commitments, as well as planned work in service areas over the coming years. As a result we have developed objectives that will not only allow us to focus our energies on those areas that matter most to people but also where we are certain that measureable outcomes will be delivered.
8. In order to consider the adoption of the Code, a working group was set up, chaired by the Principal HR Manager, which consisted of representatives from each commissioning area of the Council, HR, Corporate Procurement, Finance and Legal. Representatives of the trade unions were also invited to attend initial meetings so that officers could have a steering on the issues that the Trade Unions would wish to see in such a policy.
9. As a result of the representations received, it was agreed that given the emphasise on procurement and the recent transfer of the procurement functions to the Head of Legal Services, it would be apt for the Head of Legal Services to progress this policy.
10. To that end an Ethical Employment in Supply Chains Policy ("the Policy") has been prepared which is annexed to this report at Appendix 2 for consideration.
11. It should be noted that the Policy comprises two parts: (1) A general overview of the policy and the commitments that the Council will comply with and (2) an action log to demonstrate what steps the Council will take to ensure compliance. The Action Log is perhaps the key element of this report as sets out what the Council will actually be doing to meet its obligations under the Code.

12. It should be noted that the Council was already in compliance with the majority of the elements of the Code but nevertheless is documenting the same in this Policy.

Financial Impact

13. As indicated in the Policy, given the current budget position this can only be considered in full if the funding implications are met in full by Welsh Government. In reviewing the commitments we have been mindful of the various external pressures we continue to experience, information received as a result of dialogue with stakeholders, generally and specifically in relation to the commitments, as well as planned work in service areas over the coming years. Therefore, at this stage, many of the commitments are capable of implementation without financial detriment. Those which are not capable of implementation due to financial constraints are highlighted in the Policy.

Integrated Impact Assessment

14. An Integrated Impact Assessment screening form was completed to assist the Council in complying with its legal duties. The screening indicated that there was no requirement to carry out a full integrated impact assessment. Please see Appendix 3.

Workforce Impacts

15. Additional work could be placed on officers engaged into the contractual process to ensure the requirements of the Policy are implemented accordingly and to ensure that our contractors and service providers are complying with the elements that they are required. Steps will be taken however to ensure that officers have template documents to utilise to reduce any administrative burden. Checklists will also be developed to assist in compliance. There will be additional pressures placed on the Corporate Procurement team to ensure processes and documentation are designed that can be utilised by directorates to capture the necessary information.

Legal Impacts

16. Although no direct legal impacts, in implementing the Code the Council will be required at all times to ensure compliance with all employment legislation, contractual legislation (including but not limited to the Public Contract Regulations 2015 which governs procurement processes) and specifically the legislative requirements implemented in the Policy

Consultation

17. There is no requirement under the Constitution for external consultation on this item. Though as part of the development of the Policy, the Council has discussed and reviewed the Policy with the recognised Unions via Staff Council meetings.

Recommendations

18. That Members approve the adoption of the Neath Port Talbot County Borough Council Ethical Employment in Supply Chains Policy

Appendices

19. Appendix 1 – Welsh Government published their Ethical Employment in Supply Chains Code of Practice
20. Appendix 2 – Neath Port Talbot County Borough Council Ethical Employment in Supply Chains Policy
21. Appendix 3 – Integrated Impact Assessment Screening Assessment

List of Background Papers

22. None

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