

Code of Practice – Ethical Employment in Supply Chains Briefing Paper

1. 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.
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. 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.
3. The Council has already been undertaking or planning to undertake actions to address the majority of the 12 commitments within the Code of Practice. In light of this the Council has been invited to be an early signatory to the Code.
4. The Welsh Government intends that all Welsh public sector organisations should sign up to this Code of Practice. Third sector organisations in receipt of public funds, businesses based in Wales and businesses involved in Welsh public sector supply chains will also be encouraged to adopt the Code.
5. The Welsh Government are developing a range of Toolkits to support the delivery of the 12 commitments contained within the Code of Practice.
6. The City of Cardiff Council is already taking action to implement and deliver the majority of the 12 Commitments. This includes already being an accredited Living Wage organisation, having a written whistle-blowing policy and including the following clause in relevant Invitation to Tender's ITT's "The Council is committed to ensuring that fair and transparent employment practices are in place throughout the supply chain for this project, consequently we will be seeking to work with you to monitor supply chains to ensure fair employment practices including, where possible and appropriate, direct employment operate on this project."
7. The introduction to the Code of Practice confirms that 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. This is designed to minimise the impact on SME's.

8. The Code requires signatory organisations to appoint an Anti-Slavery and Ethical Employment Champion.
9. Many of the issues addressed in the Code of Practice have been discussed with Trade Unions at the Council's Joint Partnership Board on a number of occasions. The Trade Unions are supportive of this agenda.
10. The implementation of the Code of Practice will be monitored in terms of the impact that it has on the Council resources. It is anticipated that if a risk based approach to managing contractors and suppliers is undertaken that management of the Code of Practice can be met from within existing resources coupled to some additional staff training.
11. If Cabinet agrees to the Council signing up to the Code of Practice, then the Council's standard tender documentation will be reviewed and the relevant new clauses inserted. The Code would be implemented for new tenders from April 2017 to allow for tender documentation to be amended, associated training provided and to allow for the market to be made aware of the Code of Practice.
12. The City of Cardiff Council is already encouraging its contractors, suppliers and partners to pay the Living Wage. The aim is to support and encourage as many local businesses as possible to commit to paying their employees the Living Wage. A Living Wage leaflet has been developed and was sent to approximately 5,000 Council suppliers and contractors in September 2016 to explain the benefits of becoming a Living Wage employer and to seek their support in making Cardiff a Living Wage city.
13. The Commissioning and Procurement team will bring forward options for a Social Responsibility Charter similar to Birmingham City Council's later in early 2017. The Charter would encompass the Living Wage, but also a raft of other initiatives including community benefits and key elements of the Code of Practice. The Charter would be a set of guiding principles to which the City of Cardiff Council will adhere to and to which it invites its contracted suppliers, the wider business community, other public sector bodies (including schools) and third sector organisations (including grant recipients) to adopt. It is anticipated that the themes of the Charter will be:
 - Local Employment
 - Buy Cardiff First
 - Partners in Communities
 - Good Employer
 - Green and Sustainable
 - Ethical Procurement