



CORPORATE GOVERNANCE COMMITTEE 23 JULY 2021

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

SUPPLIER CODE OF CONDUCT

Purpose of the Report

1. The purpose of this report is to advise the Corporate Governance Committee of work undertaken to refresh the Supplier Code of Conduct and to seek its support to the implementation of this refreshed Code with immediate effect.

Background

2. The Leicester, Leicestershire and Rutland (LLR) Strategic Partnership Board for Serious and Organised Crime (S&OC), of which the Council is a key member, has ownership and responsibility for overseeing the response of all partners across the area to the UK's Serious and Organised Crime Strategy.
3. In October 2018 the Council implemented a Supplier Code of Conduct as a response to an assessment using the tools developed from the Home Offices pilot programme to tackle Serious and Organised Crime S&OC. This Code emphasises the requirement that companies that do business with the Council, and their supply chains, must operate in full compliance with the law and other rules and regulations.

Development of the Supplier Code of Conduct

4. The Commissioning Support Unit of the Corporate Resources Department has developed the "Supplier Code of Conduct" (the Code) with input from all departments and specific advice from the Council's legal services section. The Code is adopted by ESPO and used with their suppliers.

Content of the Supplier Code of Conduct

5. The Code sets out principles to help suppliers to understand the standards and behaviours that are expected of them when working with the Council. This includes the principles of international conventions (e.g. United Nations Universal Declaration of Human Rights), UK specific legislation (e.g. Modern Slavery Act 2015) and County Council Policy (e.g. Receipt of Gifts and Hospitality).

6. There is nothing contained in the Code which places additional requirements on suppliers over and above those already expected through laws, rules and regulations of the countries in which they operate. These are expressed in terms of “ethical” expectations, standards and behaviours. For example, the section on “Child Labour” specifically mentions elements of the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work regarding child labour, which organisations must adhere to already in their normal course of business.
7. All Council policies and practice documents referred to in the Code have previously been ratified by the Corporate Governance Committee.

Compliance with the Supplier Code of Conduct

8. The Code was introduced in 2018, the roll out of which was audited, the audit established some improvements which have been built into the proposals for introduction of this latest refresh of the Code. A follow up audit will be undertaken in 2021/22 to ensure the improvements have been successfully implemented.
9. The Code will be introduced to suppliers in a variety of ways. Proposals include:
 - Issue of the Code through Oracle Fusion SRM Module (Supplier Portal).
 - Publication of the Code on the County Council’s website, on the “Doing Business with the Council” page.
 - The introduction in future procurements of a requirement for suppliers to indicate they can comply with the Code.
 - Contracts to contain reference to the Code of Conduct.
 - Information on the intranet to ensure staff have awareness of the code refresh.
10. Section 5 of the Code specifically requires suppliers to support the principles contained within it and to actively communicate and promote these principles in their own supply chains. Compliance with the Code will be checked within contract management mechanisms, supported by the Commissioning Support Unit, and failure to adhere to these principles will be dealt with through the contract if necessary, again supported by the Commissioning Support Unit.

Updating the Code

11. The Code will be reviewed and updated on an annual basis to ensure this remains current and fit for purpose.

Resource Implications

12. Development and the future implementation of the Code has and will continue to be undertaken within existing resources, as will the future monitoring of compliance by suppliers as part of existing contract management systems.

Equality and Human Rights Implications

13. None.

Recommendation

14. The Corporate Governance Committee is recommended to note the work undertaken to refresh the Supplier Code of Conduct attached as an appendix to this report and to support its implementation with immediate effect.

Circulation under the Local Issues Alert Procedure

15. None.

Officers to Contact

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Appendix

Supplier Code of Conduct

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