



CORPORATE GOVERNANCE COMMITTEE - 6TH DECEMBER 2024

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 Council's 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 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. The Commissioning Support Unit of the Corporate Resources Department developed the Council's first "Supplier Code of Conduct" (the Code) with input from all departments and specific advice from the Council's legal services section. This was implemented in October 2018 in response to an assessment using the tools developed from the Home Offices pilot programme to tackle Serious and Organised Crime S&OC.
4. The Code is reviewed annually to ensure it is fit for purpose; it was later updated following consideration by this Committee in July 2021.
5. The 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. The Code is also adopted by ESPO and used with their suppliers and is reviewed annually to ensure it is fit for purpose.

Content of the Supplier Code of Conduct

6. 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).

7. 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.
8. All Council policies and practice documents referred to in the Code have previously been ratified by the Corporate Governance Committee.

Amendments to the Supplier Code of Conduct

9. For this latest revision of the Code, the following areas have been amended:
 - Minor amends to existing clauses (detailed in Appendix A).
 - Introduction of a new clause for Supply of Products and Product Safety (detailed in Appendix A).
 - Introduction of a new clause for Information Management (detailed in Appendix A)
 - Introduxction of a new clause of Artificial Intelligence (detailed in Appendix A).

Compliance with the Supplier Code of Conduct

10. The refresh of 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 Supplier Code of Conduct.
 - Information on the intranet to ensure staff have awareness of the code refresh.
11. Section 8 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

12. The Code will be reviewed and updated on an annual basis to ensure this remains current and fit for purpose. Only significant amendments to the Code will be brought to the Corporate Governance Committee for approval. A delegation to the Director of Corporate Resources is sought to enable them to make minor changes following each annual review.

Resource Implications

13. 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

14. None.

Recommendation

15. The Corporate Governance Committee is recommended to:
- (a) Note the work undertaken to refresh the Supplier Code of Conduct and to approve the revised Code attached as Appendix B to this report with immediate effect;
 - (b) Authorise the Director of Corporate Resources to make minor amendments to the Code to ensure this remains fit for purpose.

Circulation under the Local Issues Alert Procedure

16. None.

Officers to Contact

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Appendix

Appendix A – Proposed changes to the Supplier Code of conduct
Appendix B – New proposed version Supplier Code of Conduct

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