

Ethical Employment Policy

Introduction

Newport City Council is committed to ensuring workers are treated fairly and with respect. 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. Poor – and even unethical – practices, such as the unfair use of zero-hours contracts, can lead to poor morale, high staff turnover and, in some cases, can be dangerous and exploitative. The Council does not tolerate such practices within its directly employed workforce, nor its supply chains. The Council is absolutely committed to preventing slavery and human trafficking in its corporate activities, and to ensuring that its supply chains are free from slavery and human trafficking. In February 2019 the Council signed up to the Welsh Government’s Code of Practice – Ethical Employment in Supply Chains to show our commitment to ensuring we have ethical employment practices both internally and within our supply chains.

Aims of the Policy

To demonstrate our commitment to the Welsh Government’s Code of Practice on Ethical Employment in Supply Chains through outlining Newport City Council’s expectations on both internal and external supplier employment practices.

Scope

All employees under direct control of the Council
All contractors delivering services on behalf of the Council

School Based Employees

All employees under the control of a Governing Body

To be read in conjunction with:

Welsh Government Code of Practice – Ethical Employment in Supply Chains
Guidance on engaging workers, service providers and Individuals (IR35 guidance)
Use of Agency Workers guidance
Whistleblowing Policy

PRINCIPLES

The principles of the Ethical Trading Initiative (www.ethicaltrade.org) form the foundation for our approach to ethical employment:

- Employment is freely chosen
- Freedom of association and the right to collective bargaining are respected
- Working conditions are safe and hygienic
- Child labour shall not be used
- Living wages are paid

Ethical Employment Policy

- Working hours are not excessive
- No discrimination is practiced
- Regular employment is provided
- No harsh or inhumane treatment is allowed

POLICY

Newport City Council is committed to ensuring workers are treated fairly and with respect. Where unfair employment practices exist, workers often feel they have little choice but to accept the situation or risk not getting or losing their jobs. The Council does not tolerate such practices within its directly employed workforce, nor its supply chains. The Council is absolutely committed to preventing slavery and human trafficking in its corporate activities, and to ensuring that its supply chains are free from slavery and human trafficking.

The Cabinet Member with responsibility for Equalities has been appointed as our Ethical Employment Champion and will monitor this policy through the member and officer Strategic Equalities Group where necessary.

One of our three corporate values resonates with the intent of this policy; we strive to be **Responsible** in our deeds and actions, whether this is in relation to our relationships with suppliers, our treatment of workers, or our impact on communities.

This policy deals with the following areas of employment:

- Modern Slavery
- Blacklisting
- False self-employment
- Unfair use of umbrella schemes and zero-hours contracts
- Paying the Living Wage

Modern Slavery

Modern Slavery involves one person denying another person his or her freedom, and can take a number of forms, including:

- the buying and selling of people;
- holding people in captivity;
- human trafficking – the recruiting, transporting, transferring, harbouring or receiving of a coerced person for exploitation, or deceiving a person into travelling;
- child labour; and
- other forms of exploitation where people are forced to work against their will, held in debt bondage or controlled by violence. These can include:
 - withholding of an individual’s passport or identity documents
 - excessive recruitment fees and/or loans which workers are required to pay back before they can leave
 - withholding of wages
 - withholding/delaying of work permits
 - threat of reporting an individual’s immigration status to the authorities

Modern Slavery is a crime in the UK and if you suspect this is occurring you should report it immediately. In an emergency call the Police on 999. If you want to speak in confidence to a trained adviser in order to receive help,

Ethical Employment Policy

advice or guidance on any modern slavery issue call:

- Modern Slavery Helpline 0800 0121 700
- Police 101
- Gangmasters and Labour Abuse Authority 0800 432 0804
- Crimestoppers 0800 555111

Newport City Council commits to training our staff in issues relating to modern day slavery, ensuring that we have the necessary protocols in place to allow for effective information sharing and reports of concerns.

Blacklisting

Blacklisting, or use of prohibited lists, is the unlawful practice of compiling information on employees on their Trade Union membership and related activities, in order to discriminate against them. Blacklists can also potentially contain further details on individuals who have reported concerns, for example, regarding health and safety and/or environmental matters. We welcome social partnership with our recognised trade unions and we provide direct signposting to new employees to our local trade union branches without risk of discrimination.

False self-employment

False self-employment is a term used to describe the disguising employment of workers as being self-employed. It is usually to evade paying income tax and national insurance contributions. Not only this, but by being seen as self-employed the worker has reduced rights and entitlements compared to those that an employed member of staff would receive. This includes holiday pay, sick pay, redundancy and contributions to pensions. Our guidance to managers on the IR35 regulations provides a safeguard against false self-employment.

Unfair use of umbrella schemes and zero-hours contracts

Whilst umbrella schemes have their place, and are not illegal, some schemes are unfair in how they operate, impacting negatively upon the worker. These practices also result in a loss of revenue to the Exchequer, as the correct amount of income tax and NICs may not be paid. Examples of unethical practice through the use of unfair umbrella payment schemes include reduced pay where employer NI contributions and various administration fees and equipment fees are deducted from the worker's pay.

Zero-hours contracts are used to set out casual agreements between an employer and an individual. Generally, under a zero-hours contract employers do not guarantee to provide any work and pay only for work undertaken. The worker/employee is not obliged to accept any work offered by the employer. Where used appropriately non-guaranteed-hours arrangements can be of benefit to both the employer and employee. However, they can be used inappropriately for example if the employer uses them to:

- pay lower rates of pay and evade employer obligations such as payment of sick pay, holiday pay, workplace pension
- penalise individuals who reject offers of work and/or favour those who readily accept work
- give insufficient notice of upcoming work and/or give little notice of the cancellation of work

The Council is committed to providing employment to workers that does not include the use of zero-hours contracts.

Foundation Living Wage

The Living Wage is a voluntary hourly rate that is set by the Living Wage Foundation (www.livingwage.org.uk) based on the cost of living. The Living Wage is calculated by research that includes consultation with members of the public about what is needed by households to have the minimum acceptable quality of living. The Council's minimum salary

Ethical Employment Policy

point is equal to the Foundation Living Wage and we will review each April in line with the annual NJC pay review, applying a supplement where necessary. Further information is available in the Council's Pay and Reward Policy.

Child Labour

In situations where children (defined by the UN Convention on the Rights of the Child as a person below the age of 18) are employed, the action to be taken and the potential consequences need to be carefully considered. In any situation where child labour is discovered, the appropriate local authorities should be notified and further guidance and support from local child protection and child rights experts should be sought. It is important that the action is taken quickly and appropriately to ensure the safety of the child.

Procurement & Supply Chain Processes

In line with the principles of the Code of Practice we will ensure our procurement practices seek to ensure our supply chains, both within the UK and overseas embrace the ethos of fair working practices and ensure their employees are treated and paid fairly. Our procurement processes will seek out information from suppliers through a robust supplier qualification document, capturing information on how employees are treated and instances of bad practice and non-compliance with relevant legislation and any resulting prosecutions. Suppliers that are found to be operating unethically or illegally will be challenged and if necessary disqualified from tendering. Any existing suppliers who are found to be non-compliant with our Policy will be challenged and ultimately withdrawn from our supply chain.

We will work with Welsh Government and other Councils to actively identify high risk areas within our supply chains and existing contracts, and to seek the necessary assurances of compliance, and we will include a copy of this policy in all our tenders to inform our supply chain.

We will ensure our contract specifications and our service requirements do not place undue cost and pressure within supply chains and our expectations are not unrealistic or unreasonable.

We will promote the Code of Practice within our tender documentation and request and encourage our suppliers to give due consideration to signing up in their own right.

We continue to observe the Code of Practice on Workforce Matters to ensure suppliers and service providers implement its obligations.

Communicating this policy

We will communicate this policy throughout the organisation and review the content on an annual basis, monitoring its effectiveness. Our whistleblowing policy empowers staff to raise suspicions of unlawful and unethical employment practices, and places a responsibility on staff to report criminal activity taking place within our own organisation and our supply chains. This policy is also regularly reviewed and promoted to ensure that staff feel able to raise legitimate concerns in a safe environment.

Those managers involved in buying/procurement and the recruitment and deployment of workers will receive training on modern slavery and ethical employment practices, and we will keep a record of who has been trained.

In compliance with Government's Construction Industry Scheme (CIS) we will take account of our subcontractors tax status as determined by HMRC, and where required make the necessary tax deduction for payment to HMRC.

Ethical Employment Policy

'Na' i gaethwasiaeth yng Nghymru

Os gwelwch chi rywbeth, rhannwch ef!

Mewn argyfwng: **999**

Heb fod mewn argyfwng: **101**

Crimestoppers: **0800 555111**

Llinell gymorth caethwasiaeth

Modern: **08000 121 700**

cymru.gov.uk/gwrthgaethwasiaeth



Say no to slavery in Wales

If you see it, report it!

In an emergency: **999**

Routine: **101**

Crimestoppers: **0800 555111**

Modern Slavery Helpline:

08000 121 700

wales.gov.uk/anti-slavery

© 2020

Created By:	Strategic Procurement/HR & OD
Date Created:	January 2020
Reviewed By:	Click to enter text
Date Reviewed:	Click to enter date.
Current Version:	V2.1

Document Control

Version	Date	Author	Notes/Changes
---------	------	--------	---------------