



Lord True CBE
Minister of State
Cabinet Office 70 Whitehall London SW1A 2AS

The Lord Hendy QC
House of Lords
London
SW1A 0PW

Our reference: MC2022/11464

13th July 2022

Dear John,

PROCUREMENT BILL: LABOUR STANDARDS

Thank you for your response to my letter regarding labour standards.

You are correct to note that the grounds for exclusion do not include provisions equivalent to ILO Conventions 87 and 98. As I set out in my previous letter, the grounds for exclusion related to labour misconduct reflect the issues within the purview of the Director for Labour Market Enforcement. These relate to the exploitation of the most vulnerable workers.

Whilst the protection of labour rights is of course important, exclusion is reserved for the most serious circumstances or behaviour which could, if not addressed, raise a sufficient risk to contracting authorities or the public as to make the supplier unfit to bid for public contracts.

Nevertheless, where the treatment of workers and the protection of their rights is relevant to the contract being procured, contracting authorities are entitled to set conditions of participation in these areas and to evaluate treatment of workers as part of the award criteria in assessing tenders. This may be the case, for example, for the procurement of contracts for labour intensive services.

With respect to Articles 387 and 399 of the UK-EU Trade and Cooperation Agreement, procurement law does not grant rights to workers and, as such, the exclusions grounds are not inconsistent with the UK's obligations under these Articles. The rights protected by these provisions are provided for elsewhere in national laws, none of which are affected by the Bill. The exclusion grounds are not intended as a means of enforcing labour rights. Rather, exclusion is a mechanism to ensure contracting authorities do not award contracts to suppliers which pose a serious risk.

I look forward to discussing these important issues in more detail in Committee.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nicholas True', written in a cursive style.

Lord True CBE