



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: MC2022/12494

4th August 2022

Dear Lord Hendy,

PROCUREMENT BILL: LABOUR STANDARDS

I'm writing to respond to your question regarding International Labour Organisation (ILO) Conventions at the Committee debate on 13 July.

You asked, "Why would breaches of ILO Conventions not apply to bidders in this country if they apply to bidders from outside this country?"

My noble friend, Baroness Scott's reference to the applicability of ILO Conventions to bidders in the UK was to the fact that the ILO Conventions referred to in the EU Directive 2014/24 are binding on the UK as a member of the ILO, whereas the labour law obligations which flow down to suppliers from these Conventions are set out in national law. Other countries may have different arrangements as to how the obligations derived from the Conventions apply to suppliers.

An exclusion ground for violation of ILO Conventions is of no useful effect where a supplier is based in a country which is not a signatory to the ILO Convention in question. While the UK has ratified all of the ILO Conventions listed in the EU Directive 2014/24, other countries may not have done so.

For these reasons, relevant national legislation which applies directly to suppliers is the most suitable basis for the exclusion grounds. As I have explained, the

mandatory grounds cover convictions under national law for the most serious labour offences which pose the greatest risk to public procurement. In addition, and importantly, the new discretionary exclusion grounds cover serious labour misconduct, whether in or outside of the UK, constituting modern slavery or human trafficking without the need for a conviction and irrespective of whether such laws apply in a relevant territory.

Where relevant to a particular contract, contracting authorities may set their own conditions relating to labour standards, which suppliers must meet in order to participate in the procurement or be awarded the contract.

I am grateful for your continued interest in these important issues.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'True', with a horizontal line above the first few letters.

Lord True CBE