



Report of: Deputy Chief Officer Human Resources

Report to: Corporate Governance and Audit Committee

Date: 18th September 2015

Subject: Report to the Corporate Governance and Audit Committee regarding employment policies and procedures and employee conduct.

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

Leeds City Council has employment policies and processes in place to govern employee conduct. This report provides assurance to the Corporate Governance and Audit committee that: the requirements of employee conduct are established and regularly reviewed; requirements relating to employee conduct are communicated and feedback is collected on whether expected behaviours are being demonstrated; and employee conduct is monitored and reported.

Recommendations

- 1 The Corporate Governance and Audit Committee are asked to note the assurances provided within this report regarding employment policies and procedures and employee conduct.

1 Purpose of this report

- 1.1 To provide assurance to the Corporate Governance and Audit committee that: the requirements of employee conduct are established and regularly reviewed; requirements relating to employee conduct are communicated and feedback is collected on whether expected behaviours are being demonstrated; and employee conduct is monitored and reported.

2 Background information

- 2.1 An internal audit of “Employee conduct – central controls” was completed in 2015 and this concluded that overall there was “Good assurance”. A recommendation from the audit was that a reporting mechanism be introduced to the Corporate Governance and Audit Committee to give assurance that the key employment policies and procedures are fit for purpose, effectively communicated, working as intended and regularly reviewed.

3 Main issues

3.1 Employee Code of Conduct

An Employee Code of Conduct is in place and is set out in Part 5 of the council’s constitution ‘Codes and protocols’. It was revised in 2013 to align it with the Members Code of Conduct. Any breach of the employee code of conduct can lead to disciplinary action. In addition to this the Council has also established a set of values to inform the way that the council delivers services and the way in which staff work.

- 3.2 Employees have access to the Code of Conduct and associated policies via the Toolkit section on InSite along with guidance and supplementary notes. It is the duty of managers to ensure that the Code of Conduct is available to employees who do not have access to InSite. There is also an induction checklist that is completed for new starters and this covers making employees aware of the Code of Conduct on the first day of their employment.

- 3.3 The Code of Conduct is referenced every time a communication goes out about any of the policies and procedures which link to the code. An example from July 2015 was the “Think Check Share” news item regarding security of confidential council information. In addition to regular council-wide reminders regarding the code of conduct, individual services identify when specific reminders are needed.

3.4 Gifts and hospitality

The rules on the acceptance of gifts and hospitality are communicated to managers and staff annually to ensure all employees are aware of the process. This communication normally takes place in early December as offers of gifts and hospitality traditionally see an increase in the run up to the Christmas period.

- 3.5 In the reporting period to July 2015, the majority of offers made were for hospitality and attendance at seminars /workshops / conferences and were less than £25 in value. In addition there were 149 offers made which were declined.

3.6 Employee Register of Interests

Annual reviews of the Employee Register of Interests are carried out for all post holders who work in 'high risk' posts. All employees who hold one of these posts are required to complete a register of interests form by the end of March each year to confirm whether they have any interests. Directors and chief officers have a responsibility to assess declarations and take the necessary actions to address any potential conflict of interest. Examples of declarations include duties such as school governors and other voluntary activities with other organisations. A review of posts deemed to be "high risk" was completed in late 2014 and this resulted in the number of posts on the list increasing. This is a reflection on the delegated levels of decision making, as the number of senior posts in the council reduces. High risk posts are identified using the following criteria: posts that give significant advice or speaking for the council; posts where there is significant authority to make decisions; and posts with significant discretion over spending.

3.7 At any point there will be leavers, new starters and internal promotions in and out of these posts. In addition, staff are required to complete an expression of interest form if their individual circumstances change. The cohort of 'employees/post in scope' is therefore not a static picture and it can therefore reasonably be expected that at any point in time, there inevitably will be a small number of employees who have yet to complete their expression of interest form. As a result, a half-year review is scheduled at the end of each September to monitor completion during the year. This interim review will therefore shortly be carried out. However, as at 9th September 2015, the reported completion rate is 98%, where staff on extended leave (e.g. maternity leave, long-term sickness absence) will be included in this remaining 2% (they are required to complete the form on their return to work).

3.8 Politically restricted posts

An exercise was conducted in early 2015 to ensure politically restricted posts were matched to the specified and sensitive criteria. New positions are categorised from the creation of the post. There are currently 74 politically restricted posts and there have been no referrals in the past 12 months to the HR casework team for any breach of the politically restricted posts policy and procedure.

3.9 Expectations from managers and supervisors

Manager Challenge, launched in April 2014 is a programme for 2,500 managers and supervisors designed to ensure that all of our appraising managers/supervisors have a shared understanding of the council's values. The programme is supported by a range of learning opportunities and is continuously evaluated.

3.10 Appraisal data

Arrangements are in place to assess the performance of staff against expected behaviours through the two formal appraisals each year, a 'full year' appraisal (1 April to 30 June) and an 'interim appraisal' (1 October to 31 December). At the end of each appraisal window, any outstanding appraisals are chased up and this

has resulted in the completion rate for 2014/2015 being 99.8%. In the 'full year' appraisal cycle, managers are required to rate employees' performance in terms of how well they are performing against the council's values in the way they carry out their work, and their overall performance. The distribution of performance ratings is shown in Table 3 (these data exclude staff employed in Civic Enterprise Leeds as these were not available at the time of writing this report).

Table 3 Distribution of performance ratings:

	% of staff Performance Against Council Values	% of staff Overall Performance
Exceeding expectations	12%	13%
Meeting expectations	86%	83%
Not meeting expectations, development needed	2%	4%
Unsatisfactory performance	Less than 0.5%	Less than 0.5%

3.11 There are also formal routes for staff to report non-compliance with the Code of Conduct through raising a grievance or submitting a whistleblowing concern. In addition to this, there is an annual staff survey which collects more general feedback on how well the expected behaviours are being demonstrated. Questions in the survey are linked back to the council's values and there are several that have links to the requirements of the Code of Conduct, for example. 'I know what is expected of me at work' and 'I'm treated fairly at work'.

3.12 Handling disciplinary matters

A revised disciplinary policy was implemented as of 1st July 2015. The new policy is ACAS compliant and was subject to detailed consultation with service managers and trade union colleagues. Informal mechanisms including regular supervision between an employee and the supervisor/manager are used to raise and correct minor misconduct matters, but for more serious issues the formal policy is used.

3.13 In 2014/2015 166 employees were subject to disciplinary investigations. The outcomes of those investigations are shown in Table 4 below.

Table 4: Outcomes of disciplinary investigations

Outcome	Number	Outcome	Number
Dismissed	37	Different post as an alternative to dismissal	1
Final Written Warning	26	First Written Warning	11
Management Instruction	27	Recommendations to management	24
No further action	15	Resigned	25

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Reviews of employment policies are subject to consultation with service managers and trade union colleagues.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 All reviews of employment policies include Equality Impact Assessments. These ensure equality, diversity, cohesion and integration is considered throughout the development, implementation and review or establishment of any key decisions, strategies, policies, services and functions. A piece of work is underway to analyse the impact of employment policies on the protected equality characteristic groups and this will be presented to the Inclusion and Diversity Member Steering Group, expected timeframe Autumn 2015.

4.3 Council policies and the Best Council Plan

4.3.1 An internal audit of “Employee conduct – central controls” was completed in 2015 and this concluded that overall there was “Good assurance”.

4.4 Resources and value for money

4.4.1 Effective management of our workforce has a positive impact on our overall salary costs.

4.5 Legal Implications, Access to Information and Call In

4.5.1 This report is not subject to call in. All employment policies are legally compliant and if they are not followed then there is a risk of employees taking legal action against the Council through Employment Tribunal claims.

4.6 Risk Management

- 4.6.1 An internal audit of “Employee conduct – central controls” was completed in 2015 and this concluded that overall there was “Good assurance”.

5 Conclusions

- 5.1 This report provides assurances to the Corporate Governance and Audit Committee that employee conduct is properly managed, policies are regularly reviewed and employee conduct forms part of normal manager/ employee relations.

6 Recommendations

The Corporate Governance and Audit Committee are asked to note the assurances provided within this report regarding employment policies and procedures and employee conduct.

7 Background documents¹

- 7.1 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.