



Report of: Acting Chief Officer Human Resources

Report to: Corporate Governance and Audit Committee

Date: 25th June 2019

Subject: Annual assurance report on 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

1. This is the annual report to the committee concerning the Council's employment policies and employee conduct. From the review, assessment and on-going monitoring carried out, the Acting Chief Officer HR has reached the opinion that, employee conduct is properly managed, policies are regularly reviewed and employee conduct forms part of normal manager/employee relations.

Recommendations

1. Members are requested to consider and note the positive assurances provided in this report in relation to:
 - 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:

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 issued in June 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. The first such report was presented in September 2015, followed by annual reports in June each year.
- 2.2 An internal audit of register of interests issued in August 2016 concluded that overall there was “acceptable assurance” on the control environment and “good assurance” on compliance and the recommendations made in the audit report have been implemented.
- 2.3 An internal audit of gifts and hospitality issued in August 2016 concluded that overall there was “good assurance” on the control environment and “good assurance” on compliance and the recommendations made in the audit report have been implemented.
- 2.4 An internal audit of the disciplinary policy issued in March 2019 concluded that overall there was “good assurance” on the control environment and there is “minor organisational impact” should the identified risks materialise.

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 employees work. In 2017 the values were refreshed and “tweaked” to reflect the feedback from colleagues.

- 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 responsibility 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 ensures employees are aware of the Code of Conduct on the first day of their employment.
- 3.3 Further to concerns being raised by the committee regarding the conduct of employees once they have left the organisation assurance can be given regarding their continuing obligations. The wording in the letter sent to leavers is as follows: “I would remind you that even after your employment has ended you have a continuing duty of confidentiality and must not (except with the prior written consent of the council or where required to do so by law) disclose, or make use of for your own or any other person's benefit any confidential information concerning the business, finances or affairs of the council or any

of its customers, agents, suppliers, clients, service users or carers. This is important to uphold public confidence with the service. I would also inform you that any unauthorised or improper disclosure of what is classed as special category data would be a breach of the General Data Protection Regulations for which you could be personally liable.”

3.4 Gifts and hospitalities

The table below shows the details of the declarations for the past 3 years.

	Total number of declarations.	Number of offers that were rejected.	Number of offers which were accepted.	Number of accepted offers valued at less than £50.
2018/19	92	14	78	52
2017/18	97	27	70	35
2016/17	135	48	87	41

The vast majority of offers are for attendance at seminars/ award ceremonies/ networking events and were made to employees working within City Development or Resources. On an annual basis Directors are sent a copy of the register for their directorate and they are responsible for reviewing this to ensure that they are satisfied that there are no concerns, either with what individual officers have declared over the year or with any particular firm making inappropriate offers. No such concerns were identified in the last annual review and there have been no referrals in 2018/19 to the HR casework team for any breach of the gifts and hospitality policy. In 2019 a benchmarking exercise (attached as appendix 1) on the gifts and hospitality policy was undertaken with the core cities which confirms that our arrangements are broadly similar to other local authorities.

3.5 Employee Register of Interests

There is a rolling programme in place for the completion of register of interest forms, this involves an annual exercise and in addition new self-declarations are processed throughout the year. 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. For the 2019 annual exercise the business support centre sent out 1027 forms and all have been returned. 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, employment outside the council and personal relationships with contractors. There have been no referrals to the HR casework team in 2018/19 for any breach of the register of interests policy.

3.6 Employee Training and Development

Much of the training and development available to employees is booked through the PAL system where courses are divided into categories and are delivered via online and classroom methods. In total for 2018/19 there were 29,133 training sessions completed. The top three categories were, Managing Information (9,168). Health, safety and wellbeing (4,872) and Working with Adults (3,063)

3.7 Mandatory information governance training for all employees was completed in summer 2016 and summer 2018. Employees with IT access completed an e-learning package and those without IT access received a leaflet to their home address. The refreshed 2018 training incorporated information to ensure employees understand their responsibilities under the General Data Protection Regulations.

3.8 Within Adults and Health and Children's and Families there are a number of job roles that require statutory training. LCC was successful in a bid to be a Teaching Partnership which is now in its third year. The Leeds and Wakefield Social Work Teaching Partnership comprises of Leeds Adults and Children's social work, Wakefield Adult and Children social work, Leeds Beckett University and the University of Leeds. The partnership leads the whole of social work development and curriculum from starting at university on the degree course to practicing as a social worker.

3.9 In Children's and Families examples of training to meet a statutory requirement include "Safeguarding Children" which is compulsory for all staff and "Therapeutic Crisis Intervention" which is required for all residential workers. In Adults examples of training to meet a statutory requirements include "Safeguarding for Adults" which is compulsory for all staff. The safeguarding adults training is different for fieldwork staff and those who are managers/supervisors. "The Mental Capacity Act in the workplace" training is for frontline care staff and the "Deprivation of Liberty" is for frontline care staff and fieldworkers. These courses are for internal staff and are also offered to external providers in Leeds (home care and residential)

3.10 The health and safety team deliver or advise on a range of training and development to ensure that LCC meets its statutory obligations and that all employees have the necessary knowledge and skills to carry out their roles safely. The Head of H&S has monthly assurance meetings with the Director of Resources and Housing to discuss H&S performance and the health, safety and wellbeing priority board meets quarterly to discuss H&S priorities and share details of any incidents and good practice across services. The annual health and safety report which provides assurance on health, safety & wellbeing is presented to CLT, Executive Board and the Corporate H&S Committee each year. The annual report highlights H&S performance across the year and also identifies new priorities and strategies for the coming years.

3.11 The Apprenticeship Levy was implemented in April 2017. Access to the Levy is available to all employees regardless of age or grade where the training is applicable to their job role. Apprenticeships can also be funded by the Levy for new apprentices recruited externally and this can be used to fill any gaps in the workforce. The Levy funds the costs of accredited training but not the salary costs of the post or the management costs associated with supporting an apprenticeship. The Scrutiny Board (Strategy and Resources) received a report titled, "LCC response to the Government Apprenticeship Levy" at their meeting held on the 26th October 2017 and in 2018 the Board decided to revisit the subject via a working group with a meeting being held on the 14th December 2018. In addition an internal audit was completed in September 2018 and concluded that overall there was good assurance on the control environment and there was minor

organisation impact should the identified risks materialise. The purpose of the audit was to gain assurance that the use of the Apprenticeship Levy is being effectively promoted within the Council as a resource to upskill our existing workforce where possible.

- 3.12 There are currently 654 apprentices across 57 standards, the most popular being Leadership and Management (154), Business Admin (77), Children and Young Peoples Workforce: Early Educator (40) and Senior Housing/ Property Management (36). 60% of apprenticeships are at level 2 or 3 with the remaining spread across Levels 4,5,6 and 7. 183 are new starters (136 of whom are aged 24 or under) and 471 are conversions from existing staff. Since apprenticeships have been recorded 355 employees have completed and the retention rate is 82%
- 3.13 This year saw 'Healthy' being added to the council's ambitions – 'Enterprising, Efficient and Healthy'. To support this HR has trained a large number of Wellbeing Champions and Mental Health First Aiders and held Wellbeing Development Sessions at various Service Management Teams. Work is underway to develop a Supporting Staff at Work Charter, which will also have a learning and development element.

3.14 Politically restricted posts

The Local Government and Housing Act 1989 (as amended) states that people in certain council jobs cannot be active in political parties. Those posts are known as 'politically restricted' posts. Posts may be politically restricted for two reasons: they may be specified posts or the post may have sensitive duties. As a guide, the top three tiers of management are likely to be specified posts. Posts will be designated as "sensitive duties" if (a) the role involves giving advice on a regular basis to the authority themselves, to any committee or sub-committee of the authority or to any joint committee on which the authority are represented or, where the authority are operating executive arrangements, to the executive of the authority, to any committee of that executive, or to any member of that executive who is also a member of the authority; or (b) speaking on behalf of the authority on a regular basis to journalists or broadcasters. In May 2019 there were 83 politically restricted posts, 76 of which were filled. Legal services are currently reviewing the Authority's policy and following that an exercise will be completed to ensure all politically restricted posts continue to be identified appropriately. There have been no referrals in 2018/19 to the HR casework team for any breach of the politically restricted posts policy and procedure.

3.15 Appraisals

Our values and behaviours clearly set out expectations for all employees. Arrangements are in place to assess the performance of employees 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). Building upon the changes that were made last year, this year's appraisal format continues to support a high quality discussion that is open, honest and supportive.

Some key points to note are:

- Appraisal objectives are back in the appraisal record (rather than separate as in 2018)
- The person-centred format has been continued with open, probing questions
- Wellbeing is a core theme throughout
- The paper appraisal form mirrors the online appraisal record
- The management development offer provides sessions that managers can attend to enhance their skills in conducting quality appraisal meetings.

Latest mid- year completion rate = 93.4% (end of December 2018)

Latest full year completion rate = 95.9 % (end of June 2018)

3.16 Employee Engagement Survey

The Staff Survey was launched in April 2019. Further to consultation with services, staff networks, trade unions and feedback from Scrutiny Board (Strategy and Resources) it was agreed by CLT in March 2019 that the survey would be refreshed to make it quick and easy to complete with the aim to increase the response rates from those staff who do not have access to a computer. The number of questions being asked on the survey has reduced from 31 to 11. The survey is now conducted every two years rather than annually to allow actions to be embedded from the feedback. There are a number of different options available to services to try and increase the completion rates of non ICT users, including the use of loan tablets, social media and text messages.

3.17 Handling disciplinary matters

There are formal routes for staff to report non-compliance with the Code of Conduct through raising a grievance or submitting a whistleblowing concern which may lead to an investigation under the disciplinary policy. In addition managers will commence a disciplinary investigation when they become aware directly of a serious concern regarding an employee's conduct. (Note: conduct matters that occur during a probationary period are handled using that policy and not the disciplinary policy). The principal audit manager and the HR Business Partner with the lead for casework meet every two months to identify any disciplinary cases which may be reportable to the annual fraud and corruption survey or require intervention by the audit team.

The outcomes of disciplinary investigations are shown in the table below.

Outcome of disciplinary investigations.	2016/17 Number of employees	2017/18 Number of employees	2018/19 Number of employees
Dismissed	28	31	28
Offered an alternative to dismissal (incl final written warning)	0	0	6
Final or written warning	35	37	35
Resigned	17	17	15
Recommendation to management.	30	19	29
No further action	14	16	6

Frustration of contract	1	0	0
Employment ceased	0	0	2
Total number	125	120	121
Number of total cases coded as “Corrupt or Improper Practice” or “Official Conduct”.	14	29	17
Number of appeals and outcomes	4 upheld 10 not upheld 5 withdrawn	2 upheld 14 not upheld 0 withdrawn	0 upheld 12 not upheld 0 withdrawn

3.18 Between 2015 and 2017 the following employment policies were revised: disciplinary, attendance, dignity at work, alcohol and drugs, grievance, performance and probationary. In all of these policies there is an emphasis on managers taking early action to avoid issues escalating unnecessarily and also on taking an individualised approach to supporting their employees to be at work and be their best. In 2019 the new recruitment policy statement and toolkit was agreed with the Trade Unions which makes the process more inclusive and creates a flexible set of values based methods for recruiting.

3.19 Pay Policy

Under the Localism Act 2011 the Authority is required to set out an annual pay policy statement which must be approved by full council by the 31st March each year. The Council’s Pay policy went to the General Purposes Committee on the 13th February 2019 and for the first time this year it included the gender pay gap data. Figures are published in March each year for the previous year and the 2018 pay gap for women’s hourly rate (mean) was 6.3% compared with 8.6% in 2017. The report was approved by full council on 27th February 2019.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Reviews of employment policies are subject to consultation with service managers, staff networks 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.

4.3 Council policies and the Best Council Plan

- 4.3.1 This year's Internal Audit Plan includes a review of the arrangements in place to ensure that the council is meeting its obligations with respect to equality and diversity in the recruitment process. Achieving a diverse and representative workforce links to the council's values, ambitions and standing in the city. The audit will seek to confirm that the council's approach is aligned to relevant legislation and best practice, and that there are appropriate monitoring and reporting arrangements in place.
- 4.3.2 Internal Audit is also in the process of finalising a piece of work on the council's recruitment processes, drawing on best practice including 'Slipping through the net. Staff vetting guide for local authorities' produced by Fighting Fraud Locally and CIFAS (The UK's Fraud Prevention Service). The objectives for the review are to ensure that: There is a recruitment and selection framework in place which clearly identifies pre-employment checks and Arrangements are in place to ensure that suitable pre-employment checks are undertaken for all new council employees.
- 4.3.3 The 2019/20 Audit plan also includes reviews of the Register of Interests policy and the Gifts and Hospitality policy

4.4 Resources and value for money

- 4.4.1 Effective management of our workforce has a positive impact on our overall salary costs. Our policy review process includes working pro actively with our Trade Union colleagues to ensure that our employment policies are in line with our values and are easy to understand for employees and managers so that our workforce are managed and supported effectively.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 This report is not subject to call in.

4.6 Risk Management

As an employer there is legal responsibility to ensure that certain employment policies are in place and as a good employer Leeds City Council wants to achieve a culture where all employees are clear on their responsibilities and can be their best. 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. The monitoring of employee conduct allows trends to be spotted and early intervention prevents where possible issues escalating to formal procedures. In addition the internal audit plan ensures that employment policies and practices are scrutinised and recommendations for improvement are actioned.

5 Conclusions

From the review, assessment and on-going monitoring carried out, the Acting Chief Officer HR has reached the opinion that, employee conduct is properly managed,

employment policies are regularly reviewed and employee conduct forms part of normal manager/ employee relations. In particular:

a. In relation to the requirements of employee conduct being established and regularly reviewed:

- The Code of Conduct is accessible to employees and fit for purpose.
- Politically restricted posts have been matched to the specified and sensitive criteria.
- There is a programme of review for employment policies to ensure they are fit for purpose.
- Training and development for employees is in place to meet statutory requirements.

b. In relation to the requirements of employee conduct being communicated and feedback being collected on whether expected behaviours are being demonstrated:

- Directors review annually the declarations of gifts and hospitality that have been made.
- There is an annual programme for the completion of register of interests for employees in identified high risk posts and declarations are reviewed by Directors.
- Through the appraisal process managers rate employees on their overall performance and also on the behaviours they demonstrate.
- Through the annual engagement survey feedback is gathered direct from employees on how well behaviours are being demonstrated.
- Mandatory “Information Governance Level 1” training is in place and is reviewed and refreshed every 2 years.

c. In relation to the requirement that employee conduct is monitored and reported:

- Where appropriate employees are referred for investigation under the disciplinary policy.
- There have been no referrals to the HR casework team in 2018/19 for any breach of the politically restricted posts policy, the gifts and hospitality policy or the register of interests policy.

6 Recommendations

Members are requested to consider and note the positive assurances provided in this report in relation to:

- 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:

7 Background documents

7.1 None.