



Report of Assistant Chief Executive (Corporate Governance)

Standards Committee

Date: 16th October 2008

Subject: Results of Ethical Audit 2007 for Employees of Leeds City Council SO2 and below and identification of areas requiring improvement.

Electoral Wards Affected:

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Executive Summary

1. The purpose of this report is to inform Members of the Committee of the results from the 2007 ethical audit that surveyed employees of Leeds City Council graded SO2 and below, and of the resulting action that is being taken to address the issues identified by the survey results.
2. Members of the Committee are asked to note the findings of the audit and the areas for development and improvement identified in the Action Plan attached as Appendix 2.

1.0 Purpose Of This Report

- 1.1 The purpose of this report is to advise Members of the Committee of the results of the 2007 second ethical audit and the areas where improvement can be made to the ethical governance framework that have been identified by the audit. A combined action plan has been created to identify the main areas requiring improvement as identified by both the 2006 and 2007 Ethical Audit, and to specify the action to be taken to implement those improvements.

2.0 Background Information

- 2.1 In October 2004 the Audit Commission concluded an assessment of the Council's ethical governance arrangements. This review was, in part, informed by a survey of Members and officers. The report recommended that repeat surveys be undertaken in the future to assess Members' and officers' understanding of the ethical governance arrangements in place within the Council and to establish whether and how much progress has been made.
- 2.2 A national online survey was then developed by the Audit Commission for Members and officers to complete, which Leeds City Council took part in during 2006-07. The action plan arising from these results was approved by the Standards Committee on 12th July 2007 and reports on the progress of the relevant actions have been considered by the Standards Committee.
- 2.3 A pilot study carried out at the time indicated that the national survey was not suitable for officers on grades SO2 and below and many of the questions were not at all relevant to them. Therefore a further locally devised survey was carried out in late 2007 to survey officers on grade SO2 and below.
- 2.4 The survey asked them their views on conduct in the Council and also tested their knowledge of the codes and protocols in place
- 2.5 The results have now been analysed and the areas for improvement have been identified.
- 2.6 A combined action plan has been created to identify the main areas requiring improvement as identified by both the 2006 and 2007 Ethical Audit, and to specify the action to be taken to implement those improvements.

3.0 Main Issues

Aims of the ethical audit survey

- 3.1 The use of resources section of the comprehensive performance assessment questions whether the Council has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.
- 3.2 In the future the Council will be assessed by the Comprehensive Area Assessment. The draft requirements of this scheme state that one of the criteria for assessment is as follows:

“2.3 Does the organisation promote and demonstrate the principles and values of good governance?”

KLOE focus, The organisation:

- has adopted, promotes and demonstrates, the principles of good governance;
- maintains focus on its purpose and vision;
- demonstrates a strong ethical framework and culture; and
- applies the principles and values of good governance to its partnership working.”

It is likely that this will be the criteria that the Council is assessed by under the CAA and assessing employees at all levels of seniority will assist the Council in identifying the issues we need to address in order to embed ethical behaviour further into the Council, thus contributing to an improved CAA result.

The ethical audit survey

- 3.3 An ethical audit was carried out in late 2007 to establish the level of awareness of the ethical framework amongst employees on grade SO2 and below. Some ‘key’ questions have remained the same as those asked in the first Audit Commission survey carried out in 2006 so that a comparison could be made between the two sets of results. The proposals for carrying out the survey were reported to the Standards Committee on 10th October 2007.
- 3.4 1057 employees were approached to take part from all 64 service areas. 466 replied giving a response rate of 44%.
- 3.5 A slightly higher proportion were selected from those service areas which are public facing e.g. customer services, and those who have a large amount of contact with elected Members e.g. planning and licensing officers.
- 3.6 This survey asked them their views on conduct in the Council and also tested their knowledge of the codes and protocols in place.

Results

- 3.7 The results from the survey have been analysed and a summary of the finding is attached as Appendix 1.

Areas for Improvement

- 3.8 The results have identified several areas of ethical awareness which require improvements.

3.9 Officer Awareness

- 3.9.1 The results of the survey showed that generally there was an issue with officer awareness of both the Members Code of Conduct and the Officers Code of Conduct. Over half the respondents did not know if they had, or thought that they had not, agreed to abide by the Officers Code of Conduct which forms part of the terms and conditions of the employment contract. There was also a lack of awareness of the Officers Register of Interest which all officers are required to complete. And also of the register of gifts and hospitality that officers are required to complete if they receive any gifts/hospitality.

- 3.9.2 Officer awareness of both the Members and Officers Code of Conduct was lower than that revealed by the first survey of more senior officers.
- 3.9.3 Officers who had little contact with members of the public were less aware of the Members code of conduct than those who had more contact.
- 3.9.4 The survey also identified that officers were unsure about how to report a potential breach of the members Code of Conduct. The survey identified that the majority would speak to their line managers if they had concerns about a Members behaviour . It was also identified that officers may go to their trade union representative in these circumstances.
- 3.9.5 The questions relating to officers perceptions of Members behaviour also indicated a possible lack of awareness of the role of Members amongst officers.
- 3.9.6 The work of Human Resources in establishing the Ethical Framework Training and Awareness programme should address the lack of awareness. Specifically there needs to be greater awareness of the Officers Code of Conduct and it's implications and the Officers register of Interest/register of gifts and hospitality as part of the Corporate Induction process. The requirement for training on specific areas relating to Corporate Governance needs to be identified through the PDP/Appraisal process and suitable training provided.
- 3.9.7 The HR training and awareness programme should also ensure that there is greater awareness of what to do if an officer has concerns about a Members behaviour. This could also provide information to officers on the role of Members.
- 3.9.8 Information on Governance Issues is also circulated by the Corporate Governance Team when appropriate by using different media such as the Council's Website, Governance Matters, Team Talk and About Leeds. Information on the new local assessment arrangements has been circulated in this way.
- 3.9.9 The Corporate Governance Team will also ensure that the Trade Unions are advised on the new local assessment arrangements in the event that officers approach them for advice.
- 3.9.10 The Corporate Governance Team have met with the Corporate Complaints Manager to produce guidance for officers dealing with corporate complaints on how the new Member Code of Conduct complaints system will work and how to recognise a Member Code of Conduct complaint and where it should be directed.

3.10 **Officer Understanding of the Role of Members and Member Engagement**

- 3.10.1 The results of the questions relating to officers experiences of and perceptions of Members indicate that there may be a lack of understanding amongst some officers of the role of Members in relation to decision making and resolving issues raised by their constituents. The number of officers that answered "don't know" to a number of the questions was also significantly higher than in the 2006 audit indicating that the officers on the

grades SO2 and below may have less awareness of the role of members and what it entails.

- 3.10.2 However some of the results indicate that there may be occasions when Members are not aware of the requirements of the Code of Conduct and the Member Officer Protocol in relation to their contact with officers.
- 3.10.3 The ongoing training on the Code of Conduct provided to members through Member Development services, assists with ensuring members are kept informed as to the requirements of the Codes and Protocols that they should follow. New members are trained on these when they are elected.
- 3.10.4 Information about the role of Members and the requirement to comply with the Member Officer Protocol will be included as part of the Corporate Induction process for Officers.
- 3.10.5 Added to which a Member Engagement Working Group has been established, chaired by the Assistant Chief Executive (Corporate Governance), to look at ways in which ;
- Members can be better consulted/engaged in decision making
 - The role of Members within the Local Authority can be better communicated and understood by officers.
- 3.10.6 The Good to Great leadership challenge also requires the promotion of a positive and respectful relationship between Members and Officers as part of the Council's Aspirational Culture.

- 3.11 The issues identified by the 2007 Ethical Audit are similar to those identified by the 2006 Ethical Audit. The work which was carried out or is being undertaken in relation to the 2006 Ethical Audit should go towards addressing the areas that still require improvement identified above.
- 3.12 As a result of identifying that the areas of improvement identified by the 2007 Ethical Audit were broadly similar to those identified by the 2006 Ethical Audit, a combined action plan has been created to identify the main areas requiring improvement and to specify the action to be taken to implement those improvements. The plan also identifies the Actions that have been completed following the first Ethical Audit and is shown attached at Appendix 2.

4.0 Implications For Council Policy And Governance

- 4.1 Identifying areas where there is a need for an improvement to awareness of governance and standards issues will assist in improving the governance arrangements.
- 4.2 Ensuring good ethical behaviour within the Council and that the processes are fit for purpose, also complies with the principles of the Code of Corporate Governance and the Committee's Terms of Reference.

5.0 Legal And Resource Implications

- 5.1 There are no legal implications to the creation of the action plan.

5.2 Completion of the areas for improvement may require the prioritisation of resources by services in order to ensure that work is carried out where it is identified there is a development need.

6.0 Conclusions

6.1 An ethical audit survey was sent to a sample of officers on Scale SO2 or below in 2007 to survey the views on conduct in the Council and also to test the knowledge of the codes and protocols in place.

6.2 The results of that survey have been analysed and the areas for improvement have been identified. These are identified above and link to work already being carried out as a result of the 2006 Ethical Audit.

7.0 Recommendations

7.1 Members of the Committee are asked to note the findings of the audit and the areas for development and improvement.

Background documents

Full results and analysis of the 2007 Ethical Audit.

Ethical Audit Action Plan from 2006 Ethical Audit