Report of the Chief Officer (Human Resources)

Standards Committee

Date: 16 February 2011

Subject: Ethical Audit Action Plan: Human Resources Issues Update

Electoral Wards Affected:	**Specific Implications For:**
	Equality and Diversity ☐
	Community Cohesion ☐
☐ Ward Members consulted (referred to in report)	Narrowing the Gap ☐

Executive Summary

1. This report informs the Standards Committee of the current position in relation to the actions allocated to HR as a result of ethical audits in 2006 and 2007, by reference to previous papers presented to this Committee.

2. The report also informs the Committee of proposed future actions and invites the Committee to comment on these proposals.

1.0   Purpose Of This Report

1.1   Provide a final update to the Committee on the actions assigned to the Chief Officer (Human Resources) as a result of the Ethical Audits in 2006 and 2007. This includes a comprehensive review of all original actions and subsequent actions.

1.2   Sets out the remaining actions that the Chief Officer (HR) undertakes to progress and seeks the views of the Committee on these proposals.

2.0   Background Information

2.1   In 2006 and 2007 Ethical Audits took place, and an Ethical Audit Action Plan was drawn up, which included actions for the Chief Officer (HR). Periodically, the Chief Officer (HR) reports to the Standards Committee on the actions which have been taken to address the survey findings by reference to those assigned actions.

2.2   17 actions were identified for the Chief Officer (HR). These were, broadly, concerned with:

- analysis of survey results
- ethical governance training
- induction
- awareness of the Members' Code of Conduct
- awareness of the Officer Code of Conduct (and issues around the registers of interests, and of gifts and hospitality)
- leadership and management standards

2.3   The last updates were presented to the Committee on 8th July 2009 and 17th February 2010.

3.0   Main Issues

3.1   A full schedule of the original actions is included as appendix one to this report. The appendix also shows whether the action has been completed (blue – also grayed out), means the action has been completed. Green indicates the action is on target for completion. Amber indicates on target for completion but with some areas of concern. Red indicates that the action is unlikely to be completed.

3.2   The appendix shows that thirteen of the actions have been completed, a further two are on track to be completed with the remaining two unlikely to be completed. The 2009 staff survey has provided clear evidence that many issues which arose from the ethical audit are no longer current.

3.3   <u>Analysis of survey results</u>

3.3.1   All analysis work on the original ethical audits and subsequent 2009 staff survey have now been completed and reports made to the Committee.[1]

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[1] See report of 13 March 2008, report of 17 February 2010, briefing note of Head of HR circulated 15 April 2010

3.4   Ethical governance training

3.4.1   The two actions that have not been completed relate to an ethical governance training module. Whilst a successful module was devised and piloted with input from HR and Corporate Governance[2] neither Service were able to commit the resources necessary to continue to deliver face-to-face training for all managers across the Council. A decision was made to explore an e-training delivery platform but this again raised resource and funding issues.

3.4.2   Given the significant progress that has been made in other areas, and the current relatively high levels of awareness amongst officer grades of key ethical governance / people management procedures, the further work that would be required to develop and deliver a sufficiently comprehensive e-learning product is not proportionate.

3.4.3   The changes to the induction procedure and the introduction of the Leadership & Management Standards emphasise key elements of ethical governance to new starters and both new and existing managers, resulting in increased awareness through other means.

3.5   Induction

3.5.1   Since 2007-8, the Council's induction process has been completely reviewed and a new, One Council Induction has been put in place. Induction documents are available on the Council's intranet at **Interest Areas** » **Human resources** » **Learning and Development** » **Induction**.

3.5.2   The induction checklist lists awareness of the Members' Code of Conduct as an essential item for consideration in the employee's first month.

3.5.3   Induction documents are also provided covering frequently asked questions on declaration of interests, and declaration of gifts and hospitality; an introduction to ethical governance – including questions about officer/Member relations and Member involvement in service delivery; model answers to ethical governance questions.

3.5.4   There is also a managers' induction which stresses the leadership and management standards. (See below.)

3.5.5   Individual Services are encouraged to provide supplementary induction materials, for example the Legal, Licensing and Registration induction includes a specific separate section on dealing with Member correspondence.

3.6   Members' Code of Conduct

3.6.1   The principle concern from the ethical audit was that officers might be unsure how to raise or how to respond to a complaint about a Member.

3.6.2   The ethical audit 2007 reported that only 13% of respondents (SO1 and SO2 staff) were aware of how to report a potential breach of the Member Code of Conduct.[3] The 2009 staff survey – which relates to all staff, the majority of whom are below SO1 - showed that 58.3% of staff knew how to raise such a concern.

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[2] See report of 16 October 2008.
[3] See report of 13 March 2008.

3.6.3   The increase in awareness may be attributed to the communication around the transfer of responsibility for Member complaints to the local Standards Committee under the local assessment regime.

3.6.4   There is no further need to raise awareness of this process at this time. It is estimated that 58% of staff is a far larger proportion than the number of staff who have regular contact with Members.

3.7   Officer Code of Conduct

3.7.1   The 2007 Ethical Audit showed 56% of SO-graded staff were aware of the Officer Code of Conduct; the 2006 Ethical Audit showed that 80% of more senior officers knew about the Code.[4]

3.7.2   The 2009 staff survey reported that 52% of SO-graded staff were aware of the Officer Code of Conduct, but that between 71% and 90% of more senior staff were aware (depending in the precise grade band).[5]

3.7.3   Despite these apparently relatively low results, it is important to note that, in the 2009 staff survey, respondents were also asked about two specific (and key) elements of the officer code of conduct and that awareness of these requirements was far higher.

3.7.4   74% of SO-graded officers and between 89% and 100% of higher graded officers were aware of the register of interests; 91% of SO-graded officers and between 91% and 100% of higher graded officers were aware of the register of gifts and hospitality.[6]

3.7.5   Very high percentages of staff are aware of the specific responsibilities placed upon them by the Code about which they were specifically questioned. There is a higher awareness of the requirements of the Code than the Code itself, as matters which are pertinent to specific posts are presented and explained by managers in ways which emphasise practical requirements, rather than the root authority for the rules.

3.7.6   A separate report on the Officer Code of Conduct has been tabled for this meeting. In summary, the Chief Officer (HR) believes that ongoing action has been taken to further improve the Code and to raise the profile of both the Code itself, and of the registers of interests, and of gifts and hospitality. This work is not, however, completed yet.

3.8   Leadership and management standards

3.8.1   New leadership and management standards have been introduced since the 2006 and 2007 ethical audits.[7]

3.8.2   Those standards include a number of standards which specifically address concerns raised in the ethical audits, particularly items 4.8 ("responds positively to change"), 9.6 ("understands the democratic processes within Leeds City Council and recognises political accountability of Members") and 9.7 ("has a positive approach to informing and consulting Members to support them in their role").

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[4] See report of 13 March 2008, appendix 1, question 2.
[5] See report of 17 February 2010, appendix 2
[6] Ibid.
[7] See report of 5 December 2007 (sections 3.1 through 3.4 and appendix), and minutes of that meeting.

3.8.3   Results from 360° feedback confirms that these behaviours are embedded in all managers from JNC40% upwards.[8]

4.0   Implications For Council Policy And Governance

4.1   This report summarises a number of changes and initiatives which have increased the levels of ethical governance within the Council.

4.2   At this stage, the only outstanding issues to be progressed from the original ethical audit action plan are those around the officer code of conduct. It is proposed that the ethical audit action plan is considered closed.

4.3   However in reaching this conclusion the Chief Officer (HR) recognises that further targeted work should continue in high priority areas as opposed to trying to raise the profile of ethical governance across the whole Council.

4.4   This includes a number of services in City Development, Adult Social Care and Children's Services. This should include raising awareness and understanding of the register(s) of interest and gifts and hospitality, the delegated decisions process and the various codes of conduct.

4.5   The Standards Committee will be advised of any schedule for the review of people management ("HR") policies, and will be consulted, where appropriate, in regard to governance implications of specific policy reviews.

5.0   Legal And Resource Implications

5.1   None, if the recommendations in this report are accepted.

6.0   Conclusions

6.1   The original ethical audit action plan has now substantively been completed.

6.2   The Chief Officer (HR) will continue to update the Standards Committee on the Officer Code of Conduct, and will seek input from the Committee in regard to relevant people management policies.

6.3   It is now proposed to take a more proportionate and targeted approach to improve understanding and awareness of ethical governance issues in high profile areas.

7.0   Recommendations

7.1   The Standards Committee notes the contents of this report.

7.2   The Standards Committee is asked to note the more targeted approach to potential risk areas set out in paragraphs 4.3 and 4.4 of this report and comment on these proposals.

8.0   Background Papers

- Report to Standards Committee 17 February 2010, Ethical Audit Action Plan: Human Resources Update
- Report to Standards Committee 13 July 2010, List of politically restricted posts

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[8] See report of 17 February 2010, appendix 1

- Report to Standards Committee 16 October 2008, Ethical Audit Action Plan Actions for the Chief Officer Human Resources
- Report to Standards Committee 13 March 2008, Ethical Audit 2007 – Headline Results
- Report to Standards Committee 5 December 2007, Ethical Audit Action Plan: Ethical Framework and Awareness Programme for Officers
- Report to Standards Committee 5 December 2007, Update: Informed, Transparent Decision making – Officer Declarations
- Minutes of various Standards Committee meetings