

Report of the Chief Officer, Human Resources

Report to Standards and Conduct Committee

Date: 19th October 2012

Subject: Employee Code of Conduct

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): n/a	<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: n/a Appendix number: n/a	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. This report proposes separating the Employee Code of Conduct from the policies for the register of interests, gifts and offers of hospitality, and politically restricted posts.
2. The Code needs to be updated to make it compliant with a recent Information Commissioner's Office ruling regarding the publication of senior officer business interests.
3. The new Employee Code of Conduct is based upon the Nolan Principles and aims to mirror the Members' Code of Conduct.

Recommendations

4. The Standards and Conduct Committee are asked to note the information contained in this report and provide their views on the revised Employee Code of Conduct (attached as Appendix 1).
5. The Standards and Conduct Committee are also asked to approve the revised Protocol for Member / Officer Relations, attached as Appendix 2 to this report.

1 Purpose of this report

- 1.1 This report provides an update to the Standards and Conduct Committee on work which has taken place, and is taking place, around the Employee Code of Conduct.
- 1.2 This report also seeks the views of the Standards and Conduct Committee on the revised Employee Code of Conduct.

2 Background information

- 2.1 The employee code of conduct was subject to a 'light-touch' review in 2010 when the authority to amend the Code was sub-delegated from the Director of Resources to the Chief Officer - Human Resources. A commitment was made at that time to undertake a full review of the Code in 2012.
- 2.2 The existing Employee Code of Conduct forms parts of employees' terms and conditions of employment, so changes to the Code have to be agreed with the recognised trade unions through the Corporate Negotiating Committee.
- 2.3 The existing Employee Code of Conduct contains the policies on: register of gifts and offers of hospitality, register of interests and politically restricted posts.
- 2.4 Following the abolition of the standards board regime, Leeds City Council has adopted a new locally drafted Members' Code of Conduct which is based upon the Nolan Principles. The Employee Code of Conduct uses the same principles and approach where possible.
- 2.5 As agreed by the Standards and Conduct Committee, the Protocol for Member/Officer Relations has also been reviewed by the Monitoring Officer and HR have been consulted with as part of this review. A copy of the proposed Protocol for Member Officer Relations is attached as an appendix.
- 2.6 The Local Government Act (1972) Section 117 provides that any officer becoming aware of contract being entered into by the Council, in which they have a pecuniary interest, has to declare their interest.

3 Main issues

- 3.1 The existing Employee Code of Conduct contains the rules relating to: the register of employee interests; register of gifts and offers of hospitality; and politically restricted posts. This revised Code proposes removing these schemes from the Code and establishing them as three separate policies. This enables these policies to be updated without reviewing the whole Employee Code of Conduct.
- 3.2 The new policies for the register of interests, register of gifts and offers of hospitality and politically restricted posts are currently being developed. The threshold value of gifts to be declared will be low to ensure that no gifts could be perceived to influence employee behaviour. The policies for registering interests and gifts will include guidance for officers involved in procurement exercises.
- 3.3 A recent ruling by the Information Commissioners Office (ICO) directed that Bolton Metropolitan Borough Council must externally publish the business

interests of its senior officers, where senior officers is defined as employees graded at Chief Officer level and above. Leeds City Council does not currently publish the business interests of its senior officers. This means that the Council is not complying with this ICO ruling and is at risk of financial penalty. The existing register of interest process does not allow for the publication of the business interests of senior officers so it is necessary to amend the Employee Code of Conduct to include this provision.

- 3.4 The annual requirement for officers in 'high risk' positions to declare any outside interests is currently on hold to enable the new requirement around externally publishing their interests to be included. The list of positions categorised as being at a high risk (of the potential for the perception of a conflict of interests arising) was updated earlier this year.
- 3.5 Guidance has been included in the 'Leadership' section on professional relationships with vulnerable adults and children because it is required by Adult Social Care and Children's Services.
- 3.6 Schedule 7 of the Localism Act 2011 came into force on 1st July 2012, which has made some minor amendments necessary to the Politically Restricted Posts policy, currently contained with the Code.
- 3.7 The Members' Code of Conduct has been reviewed in line with the 'Nolan principles' and at the last meeting the Standards and Conduct Committee suggested that the Employee Code of Conduct uses the same style.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Consultation has been undertaken with Legal Services, Internal Audit, Corporate Governance, Equality & Diversity Team and across Human Resources including the Human Resources Leadership Team. Where practicable, comments and suggestions have been incorporated.
- 4.1.2 Negotiation with the trade unions is currently taking place and any subsequent changes will be made in conjunction with Legal Services.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 The Equality Team have been consulted upon the new Code and there are no adverse equality implications.

4.3 Council policies and City Priorities

- 4.3.1 The ongoing work will make the Code of Conduct and the associated registers clearer and more accessible to employees.

4.4 Resources and value for money

- 4.4.1 No additional implications.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The revised policy on the register of employee interests will now be consistent with the Information Commissioners Office recent ruling (in relation to Bolton Metropolitan Borough Council) on the publications of senior officers' business interests.
- 4.5.2 The Politically Restricted Posts Policy requires amending to include reference to the Head of Paid Service taking on responsibilities around political restrictions, to bring it in line with Chapter 7 of the Localism Act 2011.
- 4.5.3 The Chief Officer (Human Resources) has the authority to change the Employee Code of Conduct under the Director of Resources sub-delegation scheme.

4.6 Risk Management

- 4.6.1 There is a risk of a financial penalty issued by the ICO if the Council does not publish the business interests of its senior officers.
- 4.6.2 Amending the Employee Code of Conduct and the Register of Interest Policy enables the annual register of employees in 'high risk' positions to be completed and reduces the risk of potential risks not being identified and acted upon.

5 Conclusions

- 5.1 The new code will be clearer with separate policies for register of interests, register of gifts and offers of hospitalities and politically restricted posts.
- 5.2 The changes to the code and the associated policies are necessary to ensure compliance with new legislation.
- 5.3 The changes are necessary to enable the register of employee interests to be undertaken this year.

6 Recommendations

- 6.1 The Standards and Conduct Committee are asked to note the information contained in this report and provide their views on the revised Employee Code of Conduct (attached as Appendix 1).
- 6.2 The Standards and Conduct Committee are also asked to approve the revised Protocol for Member / Officer Relations, attached as Appendix 2 to this report.

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.