

**EMPLOYEES' CODE OF CONDUCT
(Report by the Head of Democratic & Central Services)**

1. INTRODUCTION

- 1.1 The Local Government Act 2000 made provision for a Code of Conduct for local government employees. The code was intended to set out minimum standards of conduct expected from employees in local authorities and form part of their terms and conditions of employment.
- 1.2 A local code of conduct for the Council's employees was adopted in September 2003. At that time the Standards Board for England had indicated that a model code of conduct would not be issued for some time and that authorities which had not adopted a code should draft their own for implementation during the interim period. To date the Government has still to produce a statutory code, although consultation papers were issued by the former Office of the Deputy Prime Minister in 2004 and the Department for Communities and Local Government in 2008. The Government are currently considering the responses received and have not yet made any further proposals in respect of a code with nationwide application.

2. INTERNAL AUDIT REPORT – REGISTER OF INTERESTS

- 2.1 The Council's code of conduct requires employees to register any outside interests or activities in which they are engaged which may affect their work with the Council and to declare if they receive any gifts or hospitality from any external source. Registers are held by the District Council's Monitoring Officer and employees are regularly reminded of the need to ensure that they register any relevant matters.
- 2.2 An audit of the Employees' Register of Interests was recently undertaken. Overall the audit concluded that the process for registering interests was generally well managed. However the report suggested that the code of conduct should be reviewed to ensure that it reflects best practice and clearly identifies what an employee is required to disclose.

3. REVIEW OF EMPLOYEES CODE OF CONDUCT

3.1 To address the issues raised in the audit report, the code has been compared with those of a number of other local authorities in Cambridgeshire including South Cambs and East Cambs District Councils and Cambridge City Council. Comparisons also were made with the codes of two other authorities.

3.2 In general terms the Huntingdonshire Code is similar to those of other authorities to which it was compared. However the review did identify three distinct areas upon which the Council's code makes no reference

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- ◆ declaration of criminal offences;
- ◆ development proposals submitted by officers; and
- ◆ use of internet, intranet & e-mail facilities.

Whilst the District Council does have other policies relating to the development proposals and IT use, it is suggested that, in the interests of clarity, the code be amended to ensure that suitable references are made in the document to these issues. The relevant Heads of Service have been consulted on the proposed wording.

3.3 In addition, a report detailing the outcome of a review of the Council's Anti Fraud & Corruption Strategy has recently been considered by the Corporate Governance Panel. This report also proposed changes to the Employees' Code of Conduct and the recommendations of the Panel have been incorporated into the current review.

4. PROPOSED CHANGES

Declaration of Criminal Offences

4.1 From the review of other codes of conduct, it became apparent in Leicestershire, employees are required to inform senior officers if they are convicted of a criminal offence whilst employed by the Council. The Council's employees who work with children, young people and vulnerable adults are already subject to regular checks with the Criminal Records Bureau. However convictions may take place however in the intervening period between CRB checks and not all employees are subject to scrutiny in this way. Some convictions may be relevant to an employee's job with the Council and may require a review of certain job particulars. It is therefore proposed that employees be required to notify their Head of Service of all convictions incurred with the exception of parking or motoring offences. The latter will not apply in the case of a loss of driving licence either as a result of a single conviction or the accumulation of penalty points.

Development Proposals Submitted by Officers

- 4.2 To reflect good practice in the planning process and the need to ensure that the processes by which decisions are made are designed in such a way to avoid accusations of impropriety, a number of changes are proposed to the code (See Section 16).
- 4.3 The Council's scheme of delegation already states that where an application for planning permission is received from a member of staff who is involved in the planning process (or their partner), this will be determined by the Development Management Panel. This requirement has now been incorporated into the revised code and in addition, officers will be formally required to notify the Monitoring Officer when they have submitted an application to avoid any suggestion of improper practice.
- 4.4 To further promote transparency in planning matters, the revised code also suggests that where an officer who is not involved in the planning process submits an application on their own behalf, that employee should be required to disclose this in writing to the Monitoring Officer and the Head of Planning Services to ensure that the application is handled in a manner that avoids suspicion that preference or bias could be shown.
- 4.5 A review of the codes adopted by other authorities suggested that employees should not be involved in the submission of an application for planning consent or building regulation approval, unless they had a private legal interest in the land in question. Whilst the District Council's Code does not go this far, changes have been made to prohibit an officer from acting as an agent for any applicant in a paid capacity to avoid any conflict of interests.

Use of Internet, Intranet & E-mail Facilities

- 4.6 The inclusion of a new section relating to the use of internet, intranet and e-mail facilities is intended to reflect the provisions of the ICT usage policies which have been previously adopted by the Council. This provides an opportunity to combine restrictions in these areas of activity with other employee conduct matters. (See Section 17)

Changes proposed by the Corporate Governance Panel

- 4.7 At their meeting on 8th December 2010, the Corporate Governance Panel considered the outcome of a recent review of the Council's Anti-Fraud & Corruption Strategy together with details of proposed legislative changes for dealing with bribery. The Bill, which is expected to be enacted in April 2011, proposes a new corporate offence which

exposes commercial organisations to criminal liability for failing to prevent bribery. Although local authorities are not classed in the Bill as commercial organisations, this could apply in the case of a company wholly owned by a local authority, owned in partnership with a private company under PFI arrangements.

- 4.8 The report considered by the Corporate Governance Panel made reference to the need to review the Employees Code of Conduct once guidance has been issued to commercial organisations by the Government as to the steps that they can take to prevent bribery. A consultation exercise has recently concluded and guidance is expected to be published in the New Year in advance of the Act coming into force in April 2011. Section 12.1 of the District Council's Code strictly prohibits Fraud and Corruption but further consideration may need to be given to the section relating to hospitality and gifts.
- 4.9 Currently, the Code of Conduct contains a number of provisions that clearly explain how the receipt of gifts and hospitality will be treated. However there is no distinction made between hospitality which is routine and inexpensive or that which could be regarded as being more generous. Recent Government advice suggests that the latter could be construed as being intended to influence a person to act improperly but provides no further guidance as to when hospitality is deemed to become "lavish or extraordinary".
- 4.10 The Code of Conduct currently requires hospitality in excess of £25 to be recorded, however the Corporate Governance Panel have recommended that the Code be amended to provide further clarification with regard to the acceptance of hospitality. These changes have been incorporated into Section 14.8
- 4.11 In the event that minor changes are required following the publication of the new guidance on the Bribery Act later in January 2011, the Panel may want to consider delegating authority to the Head of Law, Property & Governance to further vary the Employees' Code of Conduct after consultation with the Chairmen of the Employment and Corporate Government Panels. If it is considered that the proposals are more than of a minor nature then the changes will be brought back to Panel.

Other Changes

- 4.12 In reviewing the Code, the opportunity has also been taken to make amendments of a more minor nature to the document to reflect changes in job titles and to recognise other policies which are complementary to the Code. (Sections 1.2, 3.5, 12.4, 12.5). Minor changes have also been included to emphasise the serious nature of disclosing information of a confidential nature and that any offers of hospitality should not be accepted on a regular or frequent basis

(Section 2.2). The intention of the changes is to emphasise that disciplinary action might be taken if confidential information is disclosed.

- 4.13 To help employees identify what they are required to declare and how this should be done, a list of the declaration forms which are available from the Democratic & Central Services Section has also been included (Section 17.1).

5. RECOMMENDATIONS

- 5.1 The views of the Employee Liaison Advisory Group are invited on the document.
- 5.2 The Employment Panel are invited to endorse the revised Employees Code of Conduct, subject to any comments raised by the Employee Liaison Advisory Group.
- 5.3 The Corporate Governance Panel are asked to endorse the necessary change to the Constitution.
- 5.4 That the Head of Law, Property and Governance be authorised to make minor changes to the Employees Code of Conduct following publication of guidelines on the Bribery Act in consultation with the Chairmen of the Employment and Corporate Governance Panels.

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BACKGROUND INFORMATION

Huntingdonshire District Council – Employees Code of Conduct

Leicestershire County Council – Officers Code of Conduct

East Cambridgeshire District Council – Officers Code of Conduct

South Cambridgeshire District Council – Officers Code of Conduct

Cambridge City Council – Officer Code of Conduct

London Borough of Barnet – Officers Code of Conduct