

## **Agenda item 9.2a**

**Brighton & Hove City Council**

**For general release**

**Meeting: Standards Committee**

**Date: 20 December 2005**

**Report of: Director of Strategy and Governance**

**Subject: Review of Declarations of Interests, Gifts and Hospitality  
by Officers : Code of Conduct for Officers**

**Ward(s) affected: All**

### **1. Purpose of the Report**

- 1.1 The purpose of this report is to provide information about the use of the Register and Declaration of Interests, Gifts and Hospitality for Officers.
- 1.2 It also recommends to the Council some minor changes to the Council's Code of Conduct for Officers pending a more major review which will follow when the government publishes its proposals for a national code of conduct for officers.

### **2. Recommendations**

- 2.1 The Standards Committee is asked to recommend to the Council that the following changes to the Officer Code of Conduct be adopted:-
  - 2.1.1 That the Officer Code of Conduct be re-named the Employee Code of Conduct and all necessary consequential amendments be made to the Council's constitution to reflect this [see paragraph 4.9 below],
  - 2.1.2 That employees receiving gifts under a nominal value of £25 will not normally need to record receipt of such and that the Employee Code of Conduct and the declarations form be amended accordingly [see paragraph 4.8 below],
  - 2.1.3 That the declarations form be amended to indicate whether or not the gift or hospitality was accepted or refused [see paragraph 4.7 below].

2.2 That the Standards Committee notes the following:-

2.2.1 That the annual appraisal should be used as an opportunity for managers to remind staff that it is their responsibility to declare any conflicts of interest, gifts or hospitality they have received [see paragraph 4.5 below].

2.2.2 That this will be coupled with an annual reminder placed on the Intranet reminding staff to declare any potential conflicts including a nil return to their line manager [see paragraph 4.5 below].

### **3 Information / Background**

3.1 The Officer Code of Conduct applies to all employees regardless of the terms of employment. The basic principles on which the code are built are:

- A member of staff, their family or friends must not benefit from the decisions or actions they take while at work.
- Decisions, purchases and the awarding of contracts must be made on merit and in the best interests of the Council
- Money or other benefits must not be accepted from individuals or organisations that may be seen to influence an officer's decisions.
- Any interests outside of work should always be declared. Officers should consider how their actions would look to residents of the city, would they appear to be in the best interests of the public and would the officer be able to explain their role.

3.2 Officers should be guided by the key principle that even if their actions, decisions or conduct are proper they must remain above suspicion and not give the appearance of any improper conduct.

### **4.0 Audit of existing arrangements**

4.1 In August 2004 an internal audit was carried out and report produced on the Register and Declarations of Interests Gifts and Hospitality.

4.2 The objective of the audit was to provide for the Register of Interests Gifts and Hospitality an adequate control framework which would operate to minimise risks to the Council in achieving the following control objectives.

- To ensure there is compliance with the code of conduct for employees with adequate maintenance of the various lists and registers.
- To ensure requirements for the Statement of Accounts are achieved.
- That there is adequate support and guidance for managers of the code.

**4.3 The audit report concluded that:**

Substantive assurance could be given in relation to the control environment for the register of interests gifts and hospitality. Whilst the system of control was found to be generally sound weaknesses were identified that put some of the system and service objectives at risk. There was some evidence of non-compliance with some of the controls, and it was recognised there are opportunities to strengthen control.

**4.4 A management action plan was put in place. The table 1 to this report lists the recommendations and actions taken.**

**4.5 A key recommendation yet to be actioned is for an annual reminder to be given to all staff via the intranet to review and make their declarations of potential conflicts of interest to their line managers. It may also be possible to put a message on wage slips to a similar effect – this has still to be examined. The annual performance and development planning meetings between managers and staff should be used as an opportunity for managers to remind staff that it is their responsibility to declare any conflicts of interest, gifts or hospitality they have received.**

**4.6 The audit identified inconsistent use of forms across directorates. There is recent evidence to suggest use of the form is sparse.**

**4.7 The form used to declare interests is now in a generic form and is available from the intranet. However, there is no explicit statement whether a gift was accepted or declined and it is recommended the form is amended accordingly.**

**4.8 The audit also recommended that gifts of nominal value of £25 or less need not be declared. This would be in line with the rule for Councillors. The code & form have not been altered pending the publication by the office of the Deputy Prime Minister of a revised Code of Conduct for Officers which was thought to be imminent last December. However, as a draft has not appeared yet and is not likely to be made available until the changes to the national model Members' Code of Conduct have been concluded, it is recommended that this change be introduced now and the Council's Employee Code & form be amended accordingly.**

**4.9 A general revision of the Employee Code is in the team plan of the Director of Human Resources for this year, but there is one other matter which it would be useful to tackle now and deal with at the same time as the amendment mentioned above. This is the proposal that the "Officer Code of Conduct" be re-named the "Employee Code of Conduct". The Council employs a very wide range of staff and many may not consider themselves to be "officers" but have no difficulty regarding themselves as "employees". It is important that the Code sends out the message that**

it does apply to all employees, hence the recommendation that the title of the Code be changed.

Table 1

Recommendation	Comment	Implementation
Gifts received under the nominal value of £25, would not normally need to be recorded, pending future Regulations on an officer code of conduct by the ODPM.	<p>To be incorporated in the review of the Officers Code of Conduct by HR during 2004/05.</p> <p>Need to be mindful of any local rules for home care support staff and other staff groups on the acceptance of gifts</p>	<p>The council is still waiting for the revised Officer Code of Conduct to be published by the ODPM, before making any local amendments.</p> <p>The ODPM are still analysing the responses to the consultation paper and no revised date for publication has been given.</p>
On an annual basis a reminder should be placed on the Wave, linked to the HR Work section, for staff to review and make their declaration of potential conflicts of interest, including a nil return to their line manager	<p>To be incorporated in the review of the Officers Code of Conduct by HR during 2004/05.</p> <p>Also, to reach staff without access to the Wave, will look at the feasibility to putting a message on the payslip.</p>	Not yet actioned
The declaration of interest form should be placed on the Wave.		In place, however form to be amended
A revised process should be considered that would enable Accountancy to place reliance on the on-going registers as part of their year-end accounts work.	FRS8 requirements include declarations for immediate family members, which is not currently covered. This would have to change in order for Accountancy to place any reliance on the information gathered.	Declarations were received from all Senior Staff, although some did have positive declarations there were no relationships that required inclusion in the Statement of Accounts. These findings were checked by the Audit

	FRS8 also requires negative (nil) declarations	Commission as part of their Final Accounts audit.
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<b>Wards affected</b>	All

**Financial implications**

The Council is statutorily obliged to disclose in the Statement of Accounts, under FRS8 any related party transactions.

**Legal implications**

As above.

**Corporate/Citywide implications**

Potential to undermine the basic principles of the officer code of conduct.

**Risk assessment**

Potential failure to implement adequate control measures.

**Sustainability implications**

None

**Equalities implications**

None

**Implications for the prevention of crime and disorder**

None

**Background papers** None

**Contact Officer**

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