

# Public Document Pack



## Business Efficiency Board

Wednesday, 3 June 2009 at 5.30 p.m.  
Civic Suite, Town Hall, Runcorn

A handwritten signature in black ink, appearing to read 'David W R', positioned above a faint rectangular stamp.

**Chief Executive**

### BOARD MEMBERSHIP

<b>Councillor Dave Leadbetter (Chairman)</b>	<b>Labour</b>
<b>Councillor Martha Lloyd Jones (Vice-Chairman)</b>	<b>Labour</b>
<b>Councillor Diane Inch</b>	<b>Liberal Democrat</b>
<b>Councillor Eddie Jones</b>	<b>Labour</b>
<b>Councillor Alan Lowe</b>	<b>Labour</b>
<b>Councillor Peter Murray</b>	<b>Conservative</b>
<b>Councillor Ulfar Norddahl</b>	<b>Liberal Democrat</b>
<b>Councillor Shaun Osborne</b>	<b>Labour</b>
<b>Councillor Ged Philbin</b>	<b>Labour</b>
<b>Councillor Geoffrey Swift</b>	<b>Conservative</b>
<b>Councillor Philip Worrall</b>	<b>Liberal Democrat</b>

*Please contact Michelle Simpson on 0151 907 8300 Ext. 1126 or e-mail [michelle.simpson@halton.gov.uk](mailto:michelle.simpson@halton.gov.uk) for further information.*

*The next meeting of the Board is on Thursday, 25 June 2009*

**ITEMS TO BE DEALT WITH  
IN THE PRESENCE OF THE PRESS AND PUBLIC**

**Part I**

<b>Item No.</b>	<b>Page No.</b>
<b>1. MINUTES</b>	
<b>2. DECLARATION OF INTEREST</b>	
<p>Members are reminded of their responsibility to declare any personal or personal and prejudicial interest which they have in any item of business on the agenda, no later than when that item is reached and, with personal and prejudicial interests (subject to certain exceptions in the Code of Conduct for Members), to leave the meeting prior to discussion and voting on the item.</p>	
<b>3. EXTERNAL AUDIT FEE</b>	<b>1 - 7</b>
<b>4. EFFICIENCY PROGRAMME - UPDATE ON PROGRESS TO DATE AND NEXT STEPS</b>	<b>8 - 13</b>
<b>5. OFFICERS DECLARATIONS OF INTEREST</b>	<b>14 - 21</b>

**PART II**

*SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972  
AND THE LOCAL GOVERNMENT (ACCESS TO  
INFORMATION) ACT 1985*

***In this case the Board has a discretion to exclude the press and public but, in view of the nature of the business to be transacted, it is RECOMMENDED that under Section 100(A)(4) of the Local Government Act 1972, having been satisfied that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3 of Part 1 of Schedule 12A to the Act.***

<b>6. INTERNAL AUDIT PLAN - QUARTER 4</b>	<b>22 - 43</b>
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***In accordance with the Health and Safety at Work Act the Council is required to notify those attending meetings of the fire evacuation procedures. A copy has previously been circulated to Members and instructions are located in all rooms within the Civic block.***

**REPORT TO:** Business Efficiency Board

**DATE:** 3 June 2009

**REPORTING OFFICER:** Strategic Director – Corporate & Policy

**SUBJECT:** External Audit Fee Letter 2009/10

**WARD(S):** Borough-wide

## **1.0 PURPOSE OF REPORT**

1.1 The purpose of this report is to present to the Business Efficiency Board the external auditor's Audit Fee Letter for the 2009/10 financial year. The Board receives the letter on behalf of the Council.

## **2.0 RECOMMENDATION:**

**2.1 The Board is asked to receive and approve the Audit Fee Letter for 2009/10.**

## **3.0 SUPPORTING INFORMATION**

3.1 All local authorities are required to be audited by an auditor appointed by the Audit Commission under the terms of the Audit Commission Act 1998. At Halton Borough Council, the audit is undertaken by the Audit Commission's own staff.

3.2 The Audit Fee Letter for 2009/10 is attached to this report.

## **4.0 POLICY, FINANCIAL AND OTHER IMPLICATIONS**

4.1 The proposed fee for the 2009/10 audit is £239,408, which is 6.8 per cent below the scale fee. The planned fee for £222,554 was 2008/09.

4.2 The Council is required to have its external audit conducted by an auditor appointed by the Audit Commission. The auditor must conduct the audit under the Code of Audit Practice approved by Parliament.

## **5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

5.1 The work of the external auditor provides assurance over the Council's financial accounting and value for money arrangements. As such it has implications for all the Council's priorities.

**6.0 RISK ANALYSIS**

6.1 The planned audit work and audit fee is based on the risk-based approach to audit planning as set out in the Code of Audit Practice and work mandated by the Audit Commission for 2009/10.

6.2 In setting the audit fee, the external auditor has assumed that the general level of risk in relation to the audit of the financial statements is slightly higher than that identified in 2008/09.

**7.0 EQUALITY AND DIVERSITY ISSUES**

7.1 There are no direct equality and diversity issues arising from this report.

**8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

None.



27 April 2009

Bill Dodd  
 Operational Director Financial Services  
 Halton Borough Council  
 Municipal Building  
 Kingsway  
 Widnes  
 Cheshire WA8 7QF

Dear Bill

### **Audit fee letter 2009/10**

Further to our discussions I am writing to confirm the audit work that we propose to undertake for the 2009/10 financial year at Halton Borough Council. The audit work and fee:

- is based on the risk-based approach to audit planning as set out in the Code of Audit Practice and work mandated by the Audit Commission for 2009/10; and
- reflects only the audit element of our work, excluding any inspection and assessment fees. Peter Forrester, your Comprehensive Area Assessment Lead, has written to you separately with the proposed inspection fees.

As I have not yet completed my audit for 2008/09 the audit planning process for 2009/10, including the risk assessment will continue as the year progresses and fees will be reviewed and updated as necessary.

The Audit Commission has published its work programme and scales of fees 2009/10. The scale fee for Halton BC is £256,860. I am proposing a total indicative fee for the 2009/10 audit of £239,408 (exclusive of VAT) which is 6.8 per cent below the scale fee. This also compares to the planned fee of £222,554 for 2008/09. A summary of this is shown in the table below.

### **Audit fee**

<b>Audit area</b>	<b>Planned fee 2009/10</b>	<b>Planned fee 2008/09</b>
Financial statements	174,767	147,146
Use of Resources/VFM Conclusion	62,247	72,579
WGA	2,394	2,829

<b>Total audit fee</b>	<b>239,408</b>	<b>222,554</b>
Certification of claims and returns	78,000	70,000

In setting the fee at this level, I have assumed that the general level of risk in relation to the audit of the financial statements is slightly higher than that identified in 2008/09, mainly as a result of:

- continued pressure to achieve financial balance
- changes to the SORP and the need to comply with these
- issues around the categorisation of expenditure between capital and revenue
- new funding and accountability arrangements for the Adults with Learning Disabilities pooled budget
- planning for the implementation of IFRS and the potential impact on this on capacity within the finance team.

A separate plan for the audit of the financial statements will be issued in December 2009. This will detail the risks identified, planned audit procedures and any changes in fee. The quoted fee for grant certification work is an estimate only and will be charged at published daily rates. If I need to make any significant amendments to the audit fee during the course of the audit, I will first discuss this with the Operational Director Financial Services and then prepare a report outlining the reasons why the fee needs to change for discussion with the Business Efficiency Board (the Council's audit committee).

My use of resources assessments will be based upon the evidence from three themes:

- Managing finances;
- Governing the business; and
- Managing resources.

The key lines of enquiry specified for the assessment are set out in the Audit Commission's work programme and scales of fees 2009/10. My work on use of resources informs my 2009/10 value for money conclusion. However, I have identified a number of significant risks in relation to my value for money conclusion. For each risk, I consider the arrangements put in place by the Council to mitigate the risk, and plan my work accordingly. My initial risk assessment for value for money audit work is shown in the table below:

<b>Risk</b>	<b>Planned work</b>	<b>Timing of work</b>
The Council will need to continue to progress some challenging and high cost projects, including the Mersey Gateway (MG) and Building Schools for the Future (BSF), during the current economic climate.	PFI specialist to review progress on the MG and BSF schemes, particularly affordability and vfm.	Jan- March 2010

The Council will need to deliver significant planned efficiency savings in 2009/10 whilst at the same time dealing with the impact of the economic downturn.	Carry out a review of the Council's progress against its efficiency targets as part of the 09/10 Use of Resources assessment.	December 2009 – March 2010
The workforce element of the Use of Resources review will be applied for the first time in 2009/10	Carry out a review of workforce arrangements as part of the 09/10 Use of Resources assessment.	December 2009 – March 2010
Our 2007/08 use of resources work identified weaknesses in the Council's asset management arrangements	Review progress in strengthening asset management arrangements as part of the 09/10 Use of Resources assessment.	December 2009 – March 2010

The proposed fee for the certification of grant claims and returns has increased slightly for 2009/10. This is because of the unexpected increase in ERDF grant claims requiring audit in 2007/08. The proposed fee will be revisited once the 2008/09 audit of grant claims and returns is complete.

I will issue a number of reports relating to my work over the course of the audit. These are listed at Appendix 1.

The above fee excludes any work requested by you that the Commission may agree to undertake using its advice and assistance powers. Each piece of work will be separately negotiated and a detailed project specification agreed with you.

The key members of the audit team for the 2009/10 are:

Audit Manager – Colette Williams 0844 798 3572

Team Leader – Judith Smith 0844 798 3596

I am committed to providing you with a high quality service. If you are in any way dissatisfied, or would like to discuss how we can improve our service, please contact me in the first instance. Alternatively you may wish to contact the Northern Region Head of Operations, Terry Carter at [t-carter@audit-commission.gov.uk](mailto:t-carter@audit-commission.gov.uk).



Yours sincerely

Mike Thomas  
*District Auditor*

**cc** David Parr, Chief Executive  
Ilan Leivesley, Strategic Director Corporate and Policy  
Councillor Leadbetter, Chair of the Business Efficiency Board

## Appendix 1: Planned outputs

Our reports will be discussed and agreed with the appropriate officers before being issued to the Business Efficiency Board.

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**Table 1**

<b>Planned output</b>	<b>Indicative date</b>
Audit plan	17 December 2009
Auditor's report giving the opinion on the financial statements and value for money conclusion	14 September 2010
Use of resources report	14 September 2010
Final accounts memorandum (to the Operational Director Financial Services)	10 October 2010
Annual audit letter	November 2010

**REPORT TO:** Business Efficiency Board

**DATE:** 3 June 2009

**REPORTING OFFICER:** Strategic Director, Corporate & Policy

**SUBJECT:** Efficiency Programme – update on progress to date and next steps.

**WARDS:** Boroughwide

### **1.0 PURPOSE OF THE REPORT**

To inform the Board of progress made to date with the Efficiency Programme, and outline the next steps to be taken. This is provided in Appendix 1.

### **2.0 RECOMMENDATION: That**

- (1) the Board is asked to note the contents of the report; and**
- (2) further update reports be brought to the Board.**

### **3.0 SUPPORTING INFORMATION**

None.

### **4.0 POLICY IMPLICATIONS**

None identified at this stage. Activity within the Efficiency Programme may result in recommendations to change policies in the future.

### **5.0 OTHER IMPLICATIONS**

None identified at this stage.

### **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

The Efficiency Programme is designed to improve the effectiveness of services across the authority and reduce costs associated with service delivery. This affects all of the Council's priorities.

### **7.0 RISK ANALYSIS**

Given the financial constraints facing the Council in the next three years, and beyond, failure to progress the Efficiency Programme into future stages may result in the Efficiency Programme not achieving its objectives – primarily service improvement and cost reduction. This could result in services being underfunded, with departments unable to meet the costs of staff and other resources required to deliver to the community of Halton.

**8.0 EQUALITY AND DIVERSITY ISSUES**

N/A

**9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

N/A

## **Halton Council Efficiency Programme**

### **Progress update and next steps – May 2009**

#### **Objectives of the Efficiency Programme:**

- Reduce costs to the Council while maintaining and improving the quality of services provided to the community.
- Find new and more flexible ways of working while maintaining the authority's excellent performance rating;
- Minimise the impact of changes on front line services and improve management and support processes;
- Provide opportunities for skills and capability development;

#### **Scope of the Efficiency Programme:**

- All council services across all directorates are within the scope of the Efficiency Programme

The Efficiency Programme is an overarching programme consisting of a number of workstreams. These workstreams were selected in Summer 2008 in partnership with KPMG and a Programme Business Case was approved

Workstreams currently underway are;

- Management Structures
- Transactional Support Services
- Non-Transactional Support Services
- Service Delivery Options (Pilot – Green spaces)
- Customer Relations & ICT improvement
- Property

A Programme Office is now in place to coordinate and support the delivery of the overall programme and to develop further efficiency initiatives in the future.

The approach is to understand the current 'As-is' position, then move forward to develop and implement a transition to a more efficient and effective 'To-be' situation.

Progress made on each of the workstreams and planned next steps are detailed below.

#### **Management Structures Workstream:**

The aim of this workstream is to review existing management structures across the Council, with a view to making them more streamlined, efficient and effective.

A Corporate Management Framework (CMF) has been developed which sets out a number of key principles around the management structure of the Council.

This includes;

- the number of tiers of management;
- spans of control, and;
- the cost of management as a percentage of direct spend.

A detailed analysis of all management posts and structures has been undertaken. Impact assessments are currently underway to assess the effects of changing existing structures.

Next Steps:

- Redesigned structures will be considered and a transition plan developed during May and June 2009.
- New structures will be signed off in July 2009.

**Non-Transactional & Transactional Support Services workstream:**

These two workstreams are being delivered together. The aim is to review all support service functions across the Council.

These services are:

- Human Resources;
- Finance;
- Administration;
- Policy, Strategy and Performance Management;
- Democratic Services;
- Project & Programme Management
- Procurement and Contract Management; and
- Communications and Marketing.

A detailed analysis of all Support Services has been undertaken.

Through the Efficiency Programme Board and Management Team a number of 'in principle' decisions about the broad design of the 'To Be' structure for support services.

'To-be' Workshops are currently being held and there is an opportunity for staff and managers to influence the detail of the design for Support Services. The workshops and the discussions that follow it are such opportunities.

Next Steps:

- 'To-be' Workshops completed across all Support Services throughout May 2009
- Detailed transition plan to new structures to be developed July 2009

### **Service Delivery Options Workstream:**

The aim of this workstream is to examine current delivery arrangements, performance, cost, and customer perception in order to generate revenue savings.

Green-spaces was selected as the pilot service for this workstream.

A detailed analysis has been undertaken of the service, its structure, management, cost, impact, and the wider external market in which it operates. Early discussions around options for the service have taken place

#### Next Steps:

- Future delivery options to be set out and presented for consideration
- Detailed transition plan will follow

During the first stages of this workstream, a service assessment framework methodology has been developed. Using the workstream approach, this methodology will be applied to all services as part of a coordinated service review programme. That programme is currently being developed.

### **Customer Relations & ICT Improvement Workstream:**

The aim of this workstream is to ensure that the Council is making best use of technology and infrastructure to make services more efficient.

This workstream is an 'enabler' to achieve improvement in and across other services. There are opportunities to rationalise and streamline existing IT hardware and software provision that are currently being implemented. The efficiencies generated from this will support compliance with new regulation and also provide capacity to support front line services more effectively.

#### Next Steps:

- Determine the 'As-is' position – June 2009
- Evaluate options and begin to develop the 'To-Be' position

### **Property Workstream:**

The aim of this workstream is to ensure that the Council is making best use of its property base.

An assessment of the Property management function has been undertaken by CIPFA Property Services and a report is due in June 2009.

#### Next Steps:

- Consider CIPFA report
- Evaluate options and begin to develop the 'To-Be' position

**Staffing Protocol:**

As new structures are designed, approved and implemented there will be an effect on staff across all levels.

A draft staffing protocol has been developed, which is a framework that can be applied across the Council to affected staff.

A key commitment of the Protocol is:

*“Every effort will be made to ensure that everyone who is currently employed and who wants to remain with Halton Borough Council will have the opportunity to remain employed by the Council”*

The protocol does several things;

- Recognises the need to consult and involve Trade Unions throughout.
- Outlines the ‘At Risk’ procedure.
- Outlines Voluntary Retirement / Voluntary Redundancy schemes.
- Describes the TUPE protocol (if and when required).
- Emphasises the need to communicate throughout the process.
- Outlines training and welfare services.

Current Status of the Protocol:

It is important to emphasise that the Protocol is still subject to negotiations with the Trade Unions and approval by the Appointments Committee.



**REPORT TO:** Business Efficiency Board

**DATE:** 3<sup>rd</sup> June 2009

**REPORTING OFFICER:** Strategic Director Corporate and Policy

**SUBJECT:** Declarations of Interest by Officers

**WARDS:** all

### **1.0 PURPOSE OF THE REPORT**

- 1.1 To provide the Board with information about the declaration of interest arrangements that apply to **all officers in order to maintain the values of good governance and ethical behaviour.**

### **2.0 RECOMMENDATION: That the Board notes the Report.**

### **3.0 SUPPORTING INFORMATION**

- 3.1 Members are very familiar with the arrangements for declaring their own interests at both formal and informal meetings and the law surrounding those duties. The same underlying reasons that form the basis for the legal duties on Members also apply to officers but the rules are different.
- 3.2 While the law makes it clear that Members must declare any personal and/or prejudicial interests at meetings there is no such detailed statutory requirement on officers or consultants. That said contractual arrangements with consultants and the duty of officers under the Local Government Act 1972 provide related but not identical duties.
- 3.3 The specific duty under section 117 of the 1972 Act is: if it comes to the knowledge of an officer employed by a local authority that a contract in which he has any financial interest, whether direct or indirect, has been, or is proposed to be, entered into by the authority he must as soon as practicable give notice in writing to the authority of the fact. The maximum fine on conviction is £2500.
- 3.4 Officers must not, under colour of office or employment, accept any fee or reward at all other than proper remuneration. The maximum fine on conviction is £2500.
- 3.5 There are detailed provisions about officers (employees) and their personal interests in the Officer Code of Conduct which forms part of the Constitution. These are set out in the Appendix to this Report.
- 3.6 The need to secure public confidence in local government is emphasised in the Code as is the personal responsibilities of officers. These are further reinforced in the Conditions of Service where corruption is listed as an example of gross misconduct.

- 3.7 The only exceptions to the general rule about officers not accepting gifts or hospitality relate to small gifts of nominal value: given by way of trade advertisements to a wide range of people, e.g. inexpensive calendars, diaries, tape measures and similar articles for use at work and on the conclusion of a courtesy visit, for example to a factory or other premises. Any hospitality given or received by officers must be justified as in the public interest. The hospitality given should be on a scale appropriate to the occasion.
- 3.8 Offers of hospitality must be refused where a suggestion of improper influence is possible. Special care must be taken where hospitality is offered by a person having or seeking business with, or a decision from, the Council. Each officer who is offered a gift or hospitality shall, before any action is taken, discuss the offer with his/her line manager, except in the case of gifts or hospitality of a nominal value. In the case of the Chief Executive, before any action is taken, he will discuss the offer with the Strategic Director – Corporate and Policy and in his absence with the Monitoring Officer.
- 3.9 Each Chief Officer is required to maintain a gift and hospitality register. This register records what gift/hospitality was offered and to whom; by whom it was offered; when and with whom the offer was discussed; the decision whether or not to accept the gift/hospitality.
- 3.10 In the event that it is decided it would be inappropriate to accept the gift/hospitality, the officer to whom it was offered will inform the offeror accordingly, explaining the reasons for refusal.
- 3.11 It is standard practice and a requirement of Procurement Standing orders that a clause is included in Council contracts with a value over £1M to allow the Council to cancel the contract and recover from the contractor the amount of any loss resulting from cancellation if the contractor or its employees has offered or given or agreed to give to any person any gift or consideration of any kind as an inducement or reward in relation to the contract or any other contract with the Council or has offered a fee or reward in breach of the LGA 1972.
- 3.12 Quite apart from this contractual provision the Prevention of Corruption Acts 1889-1916 make it a criminal offence to give money, or a gift or consideration to any officer by a person trying to obtain a public contract and this is deemed to have been given corruptly unless the recipient proves to the contrary. It is also an offence to receive it or request it.
- 3.13 In relation to particular major contracts where the issue is sensed as one of potential concern a clause is included in the contract to prevent the Contractor from employing any Council officer who has been involved in preparing, commissioning or administering within two years of the date of this contract, except with the prior written consent of the Authority,.

- 3.14 Officers are employees of the Council. Members are not employees. All employees owe an implied duty of trust and confidence to their employer. These duties are supplemented by obligations imposed on some Council employees who are members of professional bodies. The codes and rules of professional bodies (eg Law Society, CIPFA, RICS and others) create duties to the professional body and in extreme cases breach of those rules may result in the individual losing the right to practise as a solicitor, accountant, surveyor, and architect. This in turn might well create a capability dismissal as the individual might be unable to continue to function in their employment with the council. This will not apply in every case as some officers may not need a professional qualification they happen to hold to carry out their employed duties.
- 3.15 There are detailed duties for officers under the Financial Standing Orders in relation to officers involved in Procurement activities as part of their employed duties. These include duties to declare any links or personal interests that they have with purchasers, suppliers and contractors if they are engaged in contractual or purchasing decisions on behalf of the Council. Orders must not be placed with firms providing promotional offers which constitute inducements to staff unless such offers are converted into discounts for the benefits of the Council.
- 3.16 In the officer code of conduct at part 5(c) all relationships with contractors or potential contractors must be made known to the appropriate Manager. Employees who engage or supervise contractors or have an official relationship with contractors and have previously had or currently have a relationship in a private or domestic capacity, must declare that relationship to the appropriate manager.
- 3.17 Volunteers and contractors/consultants/agency workers are not subject to the same detailed controls as apply to employees. In the case of contractors providing major frontline services on behalf of the Council the requirements in relation to integrity and not accepting fees or rewards are often introduced as duties in the contract.
- 3.18 These arrangements are consistent with the Statutory Principles of Public Life:

**Selflessness** – members should serve only the public interest and should never

improperly confer an advantage or disadvantage on any person.

**Honesty and integrity** – members should not place themselves in situations where

their honesty and integrity may be questioned, should not behave improperly, and

should on all occasions avoid the appearance of such behaviour.

**Objectivity** – members should make decisions on merit, including when making

appointments, awarding contracts, or recommending individuals for rewards or

benefits.

**Accountability** – members should be accountable to the public for their actions and the manner in which they carry out their responsibilities, and should cooperate fully and honestly with any scrutiny appropriate to their particular office.

**Openness** – members should be as open as possible about their actions and those of their authority, and should be prepared to give reasons for those actions.

**Personal judgment** – members may take account of the views of others, including their political groups, but should reach their own conclusions on the issues before them and act in accordance with those conclusions.

**Respect for others** – members should promote equality by not discriminating unlawfully against any person, and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or disability. They should respect the impartiality and integrity of the authority’s statutory officers and its other employees.

**Duty to uphold the law** – members should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in them.

**Stewardship** – members should do whatever they are able to do to ensure that their authorities use their resources prudently, and in accordance with the law.

**Leadership** – members should promote and support these principles by leadership, and by example, and should act in a way that secures or preserves public confidence.

- 3.19 The officer registers of Hospitality and Gifts are held in each of the Council’s strategic directorates. The officers responsible for their maintenance are set out in the table below. However that they are completed is a duty of the individual officer. It should be noted that offers of hospitality are also required to be entered in the register.

Department	Maintaining Officer
Corporate and Policy	Committee Services Manager
Environment	Dave Tollitt, Central Administration Manager
Health and Community	Jayne Cumpfer, Finance & Support Services Manager
Children and Young People	Margaret Musson, Senior Planning & Communications Manager.

**4.0 POLICY IMPLICATIONS**

There are none

**5.0 RISK ANALYSIS**

Failure to comply with the principles outlined in this report could result in officers being in breach of the Code and/ or their contracts of employment and may amount to a criminal offence.

**6.0 OTHER IMPLICATIONS**

None

**7.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

None

**8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

**Place of Inspection  
Website**

**Contact Officer  
Robert Barnett**

**APP  
ENDIX**

**Relevant extracts From the Officer Code of Conduct (part of the Constitution)**

1. (b) The public is entitled to expect the highest standards of conduct from all employees who work for local government and to expect that their conduct should never be influenced by improper motives.
2. Employees are expected to give the highest possible standard of service to the public, and where it is part of their duties, to provide appropriate advice to other employees and Members with impartiality.
- 3 (c) Employees must not use any information obtained in the course of their employment for personal gain or benefit, or pass it onto others who might use it in such a way.
- 5 (c) All relationships with contractors or potential contractors must be made known to the appropriate Manager. Orders and contracts must be awarded in line with the Council's financial regulations. Employees who engage or supervise contractors or have an official relationship with contractors and have previously had or currently have a relationship in a private or domestic capacity, must declare that relationship to the appropriate manager.
6. Outside Commitments
  - (a) An employee's off-duty hours are their personal concern but they must not place themselves in a position where their employment and private interests conflict. The Council would not wish to preclude employees unreasonably from undertaking additional work unless that work conflicts with or detrimentally affects the Council's interests or in any way weakens public confidence in the conduct of the Council's

business, or in any way affects the ability to fulfil the Contract of Employment.

- (b) However, officers above scale 6 are expected to devote the whole of their paid employment work to the Council and must not engage in any other business or take up any other additional appointment for financial gain without the agreement in advance of their Chief Officer.
- (c) If agreement is given employees must be made aware that no outside work of any sort should be undertaken in the workplace and use of facilities, e.g. telephones, photocopying is forbidden. Breach of this provision may result in a disciplinary offence.

#### 9. Separation of Role During Tendering

- (a) Employees should be clear on the separation of client and contractor roles within the Council. Senior employees who have both a client and contractor responsibility must be aware of the need for accountability and openness.
- (b) Employees in contractor or provider units must exercise fairness and impartiality when dealing with all customers, suppliers, other contractors and sub-contractors.
- (c) Employees who are privy to confidential information on tenders or costs for either internal or external contractors must not disclose that information to any unauthorised party or organisation.
- (d) Employees must ensure that no special favour is shown to current or recent former employees or their partners, close relatives or associates in awarding contracts to businesses run by them or employing them in a senior or relevant managerial capacity.

#### 12. Gifts and Hospitality

- (a) The Local Government Act 1972 forbids acceptance by any local government officer of any fee or reward other than proper remuneration and contravention of this provision is a criminal offence.
- (b) Officers should be aware of the Prevention of Corruption Act 1916 which states that the giving of any money, gift or consideration to any officer by a person trying to obtain a public contract is deemed to have been given corruptly unless the recipient proves to the contrary.
- (c) The offers of gifts to officers from persons who have or may seek to have dealings with the authority should be viewed with extreme caution. Officers should consider how the acceptance of such a gift would be viewed by a member of the public. Officers are personally liable for all decisions connected with the acceptance of gifts or

hospitality and for avoiding the risk of damage to public confidence in local government.

- (d) The only exceptions to this rule are small gifts of nominal value:-
- given by way of trade advertisements to a wide range of people, e.g. inexpensive calendars, diaries, tape measures and similar articles for use at work.
  - on the conclusion of a courtesy visit, for example to a factory or other premises.
- (e) Any hospitality given or received by officers should be justified as in the public interest. The hospitality given should be on a scale appropriate to the occasion.
- (f) Offers of hospitality must be refused where a suggestion of improper influence is possible. Special care must be taken where hospitality is offered by a person having or seeking business with, or a decision from, the Council.
- (g) Each officer who is offered a gift or hospitality shall, before any action is taken, discuss the offer with his/her line manager, except in the case of gifts or hospitality of a nominal value.
- (h) In the case of the Chief Executive, before any action is taken, he will discuss the offer with the Strategic Director – Corporate and Policy and in his absence with the Monitoring Officer.
- (i) Each Chief Officer shall maintain a gift and hospitality register. This register shall record:-
- what gift/hospitality was offered and to whom;
  - by whom it was offered;
  - when and with whom the offer was discussed;
  - the decision whether or not to accept the gift/hospitality.
- (j) In the event that it is decided it would be inappropriate to accept the gift/hospitality, the officer to whom it was offered will inform the offeror accordingly, explaining the reasons for refusal.

13. Use of services, etc. of firms dealing with the Council

- (a) If any officer has good reason to believe that any offer of preferential terms is designed to promote a firm's interest in its dealings with the Council, then the offer should be refused and the matter treated as if a gift had been offered. The above Standing Orders would then apply.
- (b) Caution should be exercised by officers using services offered by firms which they know have dealings with the Council. Officers must ensure

that goods or services bought from such firms are at a price readily available to the public.

14. Sponsorship - Giving and Receiving

- (a) Where an outside organisation wishes to sponsor or is sought to sponsor a local government activity, whether by invitation, tender, negotiation or voluntarily the basic conventions concerning acceptance of gifts or hospitality apply. Particular care must be taken when dealing with contractors or potential contractors.
- (b) Where the authority wishes to sponsor an event or service neither an employee nor any partner, spouse or relative must benefit from such sponsorship in a direct way without there being full disclosure to an appropriate manager of any such interest. Similarly where the Council through sponsorship, grant aid, financial or other means, gives support in the community, employees must ensure that impartial advice is given and that there is no conflict of interest involved.

**Extract from The Council's Anti-Fraud and Anti-Corruption Strategy:-**

- 3.1 The Council is determined that the culture of the organisation is one which promotes honesty and opposition to fraud and corruption, and does not permit fraud or corruption to be tolerated or perpetuated.
- 3.2 The Council expects Members and employees to lead by example in ensuring opposition to fraud and corruption by ensuring adherence to all Council regulations, procedures, practices and Codes of Conduct. The Council also expects individuals and organisations with whom it deals in any capacity to act with integrity and without intent to commit fraud or corruption.
- 4.1 (iv) All Members and employees are required to declare any offer or receipt of gifts or hospitality which are in any way related to their employment by or membership of the Council. A register is maintained of all declarations.



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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