

STANDARDS COMMITTEE

Date: THURSDAY, 11 November 2004 at 7.30 p.m.

**Committee Room 3
Civic Suite
Lewisham Town Hall
London SE6 4RU**

**Enquiries to: Troy Robinson (tel. 020 8314 9365) or
Elizabeth Banfield (tel.020 8314 9367)**

COUNCILLORS

Adefiranye
Eytle
Houghton
Morrison

Independent Members

S Hawkins
N Hameed
C Sullivan
Vacancy

Members are summoned to attend this meeting

**Barry Quirk
Chief Executive
Lewisham Town Hall
Cafford
London SE6 4RU
Date: 3 November 2004**



INVESTOR IN PEOPLE

The public are welcome to attend our committee meetings, however, occasionally, committees may have to consider some business in private. Copies of reports can be made available in additional formats on request.

ORDER OF BUSINESS - PART 1 AGENDA

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LONDON BOROUGH OF LEWISHAM

MINUTES of the meeting of the STANDARDS COMMITTEE, which was open to the press and public, held at LEWISHAM TOWN HALL, CATFORD, SE6 4RU on THURSDAY, 22 JULY 2004 at 7.30 p.m.

Present

Councillors Eytte and Houghton,

Independent members: Sally Hawkins (Chair); N Hameed and C Sullivan.

<u>Minute No.</u>	<u>Action</u>
1	APPOINTMENT OF CHAIR (page RESOLVED that Sally Hawkins be appointed as Chair of the Committee for the remainder of the municipal year.
2	MINUTES (page RESOLVED that the Minutes of the meeting of the Committee held on 4 March 2004, be confirmed and signed.
3	DECLARATIONS OF INTERESTS (page Councillors Eytte and Houghton declared an interest in matters to be considered under Item 5 and indicated a willingness to absent themselves from discussions on that item of business.
4	<u>PRESENTATION BY CHIEF EXECUTIVE OF STANDARDS BOARD FOR ENGLAND (page</u> David Prince, Chief Executive, Standards Board for England, gave a presentation entitled "Building Confidence" which focused on the work to date and future intentions of the Standards Board and statistical information on referrals received. There then followed a short question and answer session. A copy of David Prince's presentation document is attached at page).

5 NOTIFICATION OF REFERRALS TO STANDARDS BOARD FOR ENGLAND (page

The Head of Law drew attention to two referrals recently made to the Standards Board concerning an ex and current member of the Council.

The decision of the Standards Board in one of the cases was that matters should not be investigated as the alleged conduct was not sufficiently significant to justify investigation.

In relation to the other matter the Head of Law reported that it was currently inappropriate to discuss the issue as it may be referred back to the Committee at some future time.

6 APPLICATION FOR DISPENSATIONS (page

Councillors Eytle and Houghton left the meeting before discussion of this item.

Kath Nicholson, Head of Law and Monitoring Officer, introduced the report and explained that a number of members of the Council had requested a dispensation to allow them to participate in discussions in respect of their car parking facilities at Laurence House and Holbeach Road car parks.

She explained the background of the review into car parking arrangements for officers and members and that decisions in relation to car parking are currently delegated to the Deputy Chief Executive.

Kath Nicholson went on to say that a motion was due to be discussed at the Council meeting on 3 March 2004 relating to members' parking at the Town Hall complex. At that time, through the Chief Executive, she advised members that they would all have a personal and

possibly a prejudicial interest in the matter and in the circumstances, it would not be appropriate to consider the matter further. As a consequence external advice was sought. This was appended to the report and summarised orally for the meeting. Kath Nicholson pointed out the options to resolve the problems associated with so many members having a personal interest. One of these was an application to the Standards Committee for dispensations. 39 members had made such application.

The Head of Law set out the legislative provisions in relation to the grant of dispensations.

After lengthy discussion the Committee agreed that there were no exceptional grounds to warrant the grant of dispensations and recommended that the decisions in relation to member car parking be delegated to an officer.

DATE OF NEXT MEETING

To be arranged.

The meeting ended at 9:20 p.m.

Chair

Committee	Standards Committee	Item No.	3
Report Title	Report on the Council's complaint handling service		
Contributors	Ralph Wilkinson – Head of Public Services		
Class		Date	11 November 2004

1. Summary

- 1.1 In May this year, Executive Management Team (EMT) agreed a new corporate process for handling complaints and customer feedback.
- 1.2 The process supported the recommendations set out in the Customer Service Review 2003, that the Council should learn from customer feedback and use it to inform service improvements.
- 1.3 It also addressed the Council's need for a single and systematic approach to complaint handling, to replace the various procedures and systems being used across directorates and services.
- 1.4 A comprehensive workplan was developed to provide the Council a uniform and effective mechanism for recording and monitoring feedback, and a clear process for feeding this information back into service areas. This workplan is currently being implemented.

2. Purpose

- 2.1 This report provides an overview of developments in the Council's complaint handling process over the past ten months, and sets out future plans.

3. Recommendations

- 3.1 To note the progress to date, and the workplan set out in Appendix II.

4. Background

- 4.1 Corporate complaints transferred to Public Services in November 2003 as a result of the Customer Services Review. In light of this change the post of corporate complaints manager was created.
- 4.2 A review of the Council's complaint handling process was undertaken, which identified:-

- That the way complaints were handled across directorates varied substantially, and processes were largely undocumented
- That the existing complaint form, and procedures used to respond to complaints, could be seen to be excluding some groups in our community, particularly children, people with learning difficulties and where English is not the first language spoken
- Directorates and services were recording complaints in different formats and using a variety of computerised and manual systems. This arrangement made the task of analysing customer feedback more difficult

4.3 A plan to overhaul the existing system was drawn up with an action plan for its implementation (see Appendix II).

5. Corporate Comments, Complaints & Compliments Policy

5.1 A corporate Comments, Complaints and Compliments policy was made available to all staff on the corporate intranet in October this year. The policy does not apply to complaints where there are legal requirements already in place or where there are appeal procedures.

5.2 The key objectives of the policy are:

- to provide staff with the confidence and guidance they will need to be able to effectively handle customer feedback, and to promote best practice
- to improve the customers experience of our complaint handling service, and to improve accessibility to the service
- to ensure a uniform and documented approach to the handling of feedback, regardless of the service the comment is about
- to ensure our complaints procedure is seen to be fair. Thus, if a customer is unhappy with the response they have received to a complaint, a different and more senior officer has responsibility for reviewing it
- to provide a clear process for the Council to learn from customer feedback and for this information to be used when making service improvements

5.3 Complaints made verbally that can be resolved within 24 hours

The procedure recognises that some customers do not want to enter a formal process to resolve their issue, and may wish to have things dealt with very quickly. It therefore offers the customer the opportunity to discuss their complaint with a member of staff or manager who will try to put the matter right immediately. If the issue will take more than 24 hours to resolve, the matter should revert to our formal process. All complaints made in writing, or where a customer asks for their verbal complaint to be handled formally must be taken through the formal process.

The formal process for handling complaints has three stages, and also promotes early resolution of complaints by service areas.

- **Stage 1**

If a customer complains about an issue for the first time, their complaint should be handled at Stage 1 of the procedure. The Service Manager is responsible for investigating the complaint and responding in writing to the customer within ten working days.

- **Stage 2**

If a customer is unhappy with the response they received at Stage 1, they should let us know the reasons why they remain unhappy. The Head of Service is responsible for re-investigating the complaint and should send the customer a written response within 20 working days.

- **Stage 3**

If the customer is unhappy with the Stage 2 response they should write to the Chief Executive for an independent review of their complaint. The corporate complaints team will investigate these complaints (except those concerning sensitive issues), and will write to the customer within 20 working days.

5.5 Whilst we will endeavour to resolve a customer's complaint within this process, in the Stage 3 response, contact details for the Local Government Ombudsman are provided.

5.6 Comments & Compliments

The Customer Services Review 2003 recommended the Council encourage and capture comments and compliments, as well as complaints, and this concept has been built into the new policy. The Service Manager is responsible for responding, in writing, to comments and compliments within 10 working days.

5.7 Comments, Complaints & Compliments from children and young people

Whilst we are already receiving feedback from children and young people, outside of Social Care & Health, we have no way of identifying these separately to feedback received from adults. The new policy recognises that children and young people may have different needs to adults and our handling of their feedback should reflect this. Although we aim to use plain English when writing to our customers, we may need to pay even more attention to our use of language when communicating with children.

- 5.8 To ensure we can check every response that goes out, the corporate complaints team will respond to all feedback from children and young people. The timescale for this is within 10 working days.
- 5.9 A customer friendly version of the policy is currently being devised for the Council's website.
- 5.10 The policy also sets out a number of service guarantees. These include sending the customer an acknowledgement letter within 2 working days of our receiving their complaint, and sending a holding letter where we are unable to send a full response within our timescales.

6. Recording and monitoring customer feedback

- 6.1 EMT also agreed that the Council should use a single computerised system for recording and managing customer feedback. This would provide:
- An improved service to our customers. We would have a better means of tracking and dealing with their feedback as it would all be kept in one place
 - An improved means of monitoring our performance on responding to customer feedback, enabling us to better address areas where this is below standard
 - A consistent approach to how we record feedback, and an improvement in our ability to analyse it, identify trends and use this information to develop services
- 6.2 The MCS system was already being used, to varying degrees, by 3 out of the 4 directorates. However, in order for it to meet the needs of all directorates and services across the Council, it required enhancement. This is currently being carried out and the enhanced system is scheduled to be available by end of November 2004. A strategy has been drawn up to roll it out to those services not already using it.
- 6.3 By December 2004, the Public Services Division will begin recording all feedback they receive on MCS.
- 6.4 Due to start the end of November 2004, the Council are undertaking a programme of renewing the desk tops of all staff. This exercise involves briefing and training sessions to advise staff on the new desktop. The

corporate comments, complaints and compliments policy and access to MCS, will be incorporated in these sessions.

7. Performance data

7.1 The new Comments, Complaints & Compliments policy sets out a rigorous reporting process to ensure customer feedback is analysed and that we learn from it.

- Each directorate should have a designated officer(s) responsible for complaints, who should provide quarterly reports on customer feedback to the Heads of Service.
- The report should summarise the nature of **complaints, comments and compliments** received within that period, and our ability to respond to these on time (report due the end of each quarter). The report should highlight any trends and advise of any resulting action to be taken. A copy of this report should be sent to the corporate complaints team.
- The corporate complaints team will report to EMT a summary of all directorate reports, as well as analysis of all **Stage 3** complaints received, on a quarterly basis.

7.2 Appendix I shows the total number of complaints and enquiries received, by directorate, from January 2003 to December 2003, and the number of these responded to outside our timescales. Due to the various divisions in Resources all using their own recording system, an overall figure for Resources has not been included. Additionally, not all complaints for Regeneration and Education have been recorded on MCS, and it is suspected that complaints about some services were not recorded at all during this period.

7.3 Just over 50% of complaints for Social Care & Health were responded to outside of our timescales. Legislation governing this service requires an extensive investigative process, far more in depth than those for other directorates, and they have reported this as the reason for their performance. They have however, made changes over the last year in the way they carry out investigations, and expect to be able to report an improvement in this for 2004.

7.4 Lewisham currently attend quarterly meetings with other London boroughs and councils across the country, to discuss and share ideas and approaches to complaint handling. The corporate complaints team will be approaching comparable boroughs to benchmark performance and to help set realistic targets for improvement in our response times.

- 7.5 Once all feedback is being recorded on MCS, we will be in a better position to provide both a qualitative and quantitative report, and to highlight the key issues for our customers.
- 7.6 The outcomes of those complaints currently being investigated at Stage 3 of our procedure, by the corporate complaints team, are already being used to take some very immediate action, in relation to service improvements.
- 7.7 For example, a complaint was received by a partially sighted tenant. The complaint was that he can only read correspondence in 24 size font, and has told the Council this on several occasions. However, he still receives rent statements and newsletters in 12 size font. On investigation it was identified that some services in the Council are already able to ensure automatically generated documents are suppressed for this customer. They are therefore able to arrange to convert the document to the appropriate size font before it is sent out. The complaint has been brought to the attention of the Head of Housing who has identified an Area Manager who will be responsible for looking at how the system generating the rent statements can be developed to achieve this.

8. Customer feedback form

- 8.1 The existing form used to capture feedback confines our customers to making only complaints. It also does little to promote feedback from children and young people, people who do not have English as their first language and people learning difficulties.
- 8.2 The Customer Service Review recommended that to overcome the potential barriers the form should be redesigned. Work is currently in progress on 3 separate forms:
- A form for children and young people
 - A form for adults
 - A pictorial/symbol assisted form
- 8.3 All of these will invite comments, complaints and compliments.

9. Future development

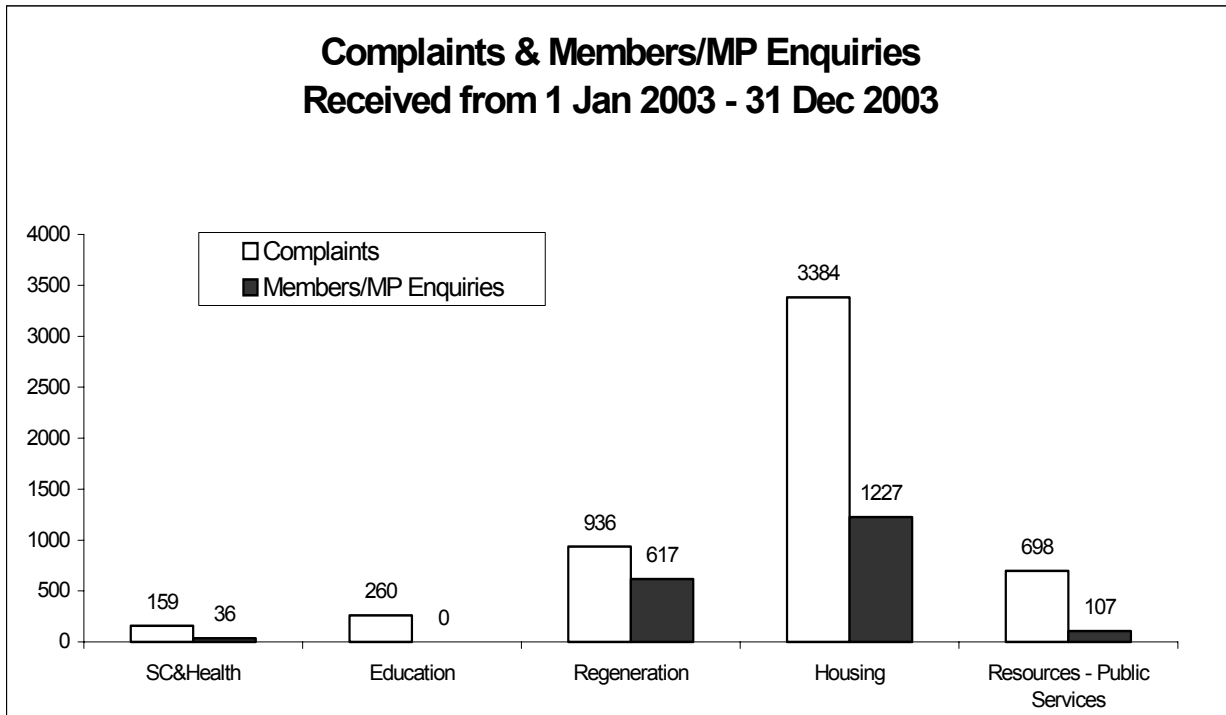
- 9.1 The following are areas for future development and the attached workplan provides a more detailed plan of how we intend to continue to improve the way we manage customer feedback.
- The Council analyse demographic data collected about customers who complain, to look at how we can help to further improve accessibility to the service.

- Explore using a 'hit team' to support and assist services in implementing measures to address reoccurring service failures highlighted by complaints performance data.
- Benchmarking with other local authorities to relate our performance on complaint handling and set targets for improvement.
- Improve customer awareness of our complaints procedure, and provide them with information about the feedback they have given and how we have used this to improve services.

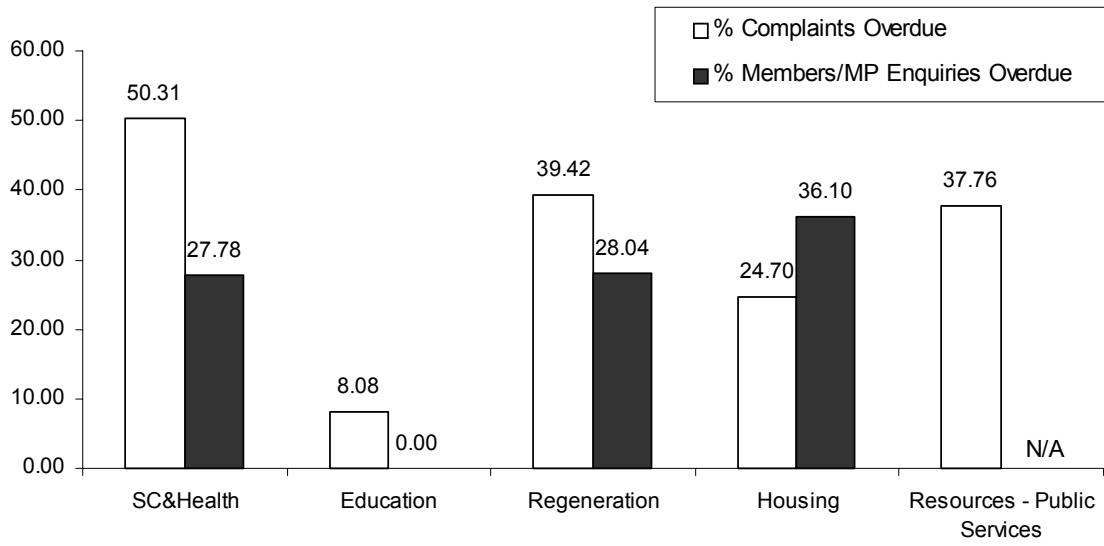
10. Conclusion

- 9.2 While we have already gone some way in improving our complaint handling service, we will continue to review our processes to sustain this development, and to empower our customers to talk to us.

Appendix I



% Total Complaints & MP/Members Enquiries Responded to late



Appendix II

Action Plan – updated November 2004

No.	Action	Responsibility	Timescale	Comments
1.	Implement new corporate complaints procedure	Public Services – Corporate Complaints and Directorate Complaints Teams	End of June 2004	Agreed. Policy to be posted on internet and intranet October 2004.
2.	Resources directorate identify staff to be responsible for complaints management on behalf of the directorate, and to act as a contact for customers who have a complaint about the directorates services.	David Webb – Performance & Quality	End of June 2004	Public Services Complaints Contact – Ann-Marie Shepherd Contact for other Rescues Services – Fiona Pashazadeh
3.	Annual review of corporate complaints procedure.	Public Services – Corporate Complaints	On 1 st anniversary	To be actioned
4.	Directorate and corporate complaints procedures are documented and made available to staff on the intranet.	Public Services – Corporate Complaints	End of Sept. 2004	Policy posted on intranet October 2004
5.	Documented procedures are developed specifically for customers.	Public Services – Corporate Complaints	End of Dec. 2004	Document Completed and with Web team
6.	Replace current corporate complaint form with 3 separate forms that promote feedback via complaints, comments and compliments.	Public Services – Corporate Complaints	End of Dec. 2004	Children's form approved and awaiting print.

7.	Accessibility of the complaints website is addressed and it's content updated in line with the complaints form.	Public Services – Mike Ireland	End of June 2004	The new Lewisham On-line website is programmed for completion end 2004. Visibility of the complaints website is to be addressed in the changeover.
8.	A 'fast track' complaints system is explored.	Public Services – Corporate Complaints & Housing Complaints	End of March 2005	To be actioned
9.	The Council use MCS as the sole system to record all customer feedback.	Public Services	Aug. 2004	Work on this has already begun. Rollout of the system will begin November 2004
10.	The MCS is assigned a project manager from within E-government.	Simon Berlin – E-government	End of June 2004	Shirley Watson E-change Programme Manager
11.	Articles on complaints are published in the Works and Lewisham Life. This should aim to promote the value and benefits of effective complaints handling to staff. It should also be used to keep our customers informed of how we use the information they give us in their feedback, to learn from their experiences and ultimately to improve our services.	Public Services – Corporate Complaints	End of Septemb er 2004	To be actioned

12.	In line with the Customer Service Review implement corporate standards for responding to correspondence to include font size, style and layout.	Public Services	To be advised	This has been addressed with the new corporate Style Guidelines produced by communications and available on the intranet
13.	Devise and implement procedures for auditing the quality of responses to complaints against service guarantees/correspondence standards.	Public Services – Corporate Complaints & Directorate Complaint Teams	End of December 2004	To be actioned
14.	Demographic information collected from complaints/feedback is used to help improve accessibility to the service.	Public Services – Corporate Complaints & Directorate Complaint Teams	End of March 2005	To be actioned
15.	Corporate analysis of complaints/feedback is carried out to establish the source and nature of complaints and used to inform service improvement.	Public Services – Corporate Complaints	End of December 2004	To be actioned
16.	The Council develop minimum standards in relation to complaint handling to be included in all future contracts/partnership arrangements.	Dave Starling – Procurement	End of September 2004	To be actioned
17.	Use of a 'Hit Team' to assist services in tackling reoccurring service failures is explored.	Public Services	End of December 2004 (Subject to available resources)	To be actioned

18.	MCS is re-launched to members	Public Services – Corporate Complaints	TBA	To be actioned
19.	Pilot an Internal Ombudsman Service within one directorate division.	Public Services	End of Dec. 2004	EMT have raised some concerns around how this will work in practice. A pilot will be launched following provision of a detailed plan to EMT

Standards Committee		
Report Title	Statutory Employee Code of Conduct - Consultation	
Key Decision	YES/NO	Item No. 4
Ward		
Contributors	Executive Director of Resources	
Class	Part 1	Date: 11 November 2004

1. Summary

- 1.1. The Local Government Act 2000 provides for the introduction of a statutory Code of Conduct for Employees, which will automatically be incorporated into employment contracts and the Council's Standing Orders. The Code is intended to establish a core set of principles which will underpin the concept of public life
- 1.2. The Government is consulting authorities on the scope and content of the proposed model code, which is attached as appendix (B) to this report. The proposed Code is in line with the Members' Code, which is already in operation.
- 1.3. The Council's response to the consultation document is currently being formulated and the views of key stakeholders are therefore being sought on the specific questions raised by the Government on the scope and content of the proposed code (see Appendix (b)). Whilst the determination of employment policy is not within the remit of the Standard's Committee, the Council would welcome any views that Members may have on the proposed model code.

2. Purpose

To seek the Committee's views on the scope and content of the proposed statutory code of conduct for employees.

3. Policy Context

3.1. The Council is committed to the highest standards of ethical conduct.

The introduction of a new employee code of conduct will promote this

4. Recommendations

- 4.1. To agree that the Council should support the introduction of a statutory code of conduct for employees
- 4.2. To support the proposed response to the specific issues raised in the consultation document as outlined in appendix B
- 4.3. To invite the Committee to make any further comments on the proposed response

5. Background

- 5.1. Whilst the national terms and conditions of service require employees to maintain the highest standard of conduct the development of codes of practice is left to the discretion of each local authority.
- 5.2. The introduction of a statutory Code of Conduct for employees will for the first time establish a core set of principles which will underpin the concept of public life. The Code will define the minimum standards and it is open to authorities to impose additional more stringent conditions as part of local terms and conditions of employment. The proposed new code is in line with the Members' Code already in operation and the Council will be able to provide guidance on the core principles as provided in relation to the Member Code.
- 5.3. The Code will cover the following areas:
 - ◆ Honesty, Integrity, Impartiality and Objectivity
 - ◆ Accountability
 - ◆ Respect for Others
 - ◆ Stewardship
 - ◆ Personal Interests
 - ◆ Registration of Interests
 - ◆ Openness
 - ◆ Appointment of staff
 - ◆ Duty of Trust
- 5.4. The Government proposes to exclude firefighters and teachers from being subject to the local government code as they already have their own codes of conduct.
- 5.5. The Council's existing Code of Conduct is very comprehensive and

already encompasses the principles set out in the model code. It is however outdated and will be reviewed once the new Statutory Code is introduced.

5.6 The Government has raised a number of specific questions within the consultation document on the scope and content of the proposed Code. The detailed questions together with the Council's proposed response are set out in Appendix B to this report.

6. Legal Implications

The new employee code of conduct will be incorporated into employees' contract of employment by operation of law. When it is effective any breach of the code may lead to disciplinary action and in the most serious cases to dismissal.

7. Financial Implications

None specific

8. Crime & Disorder Implications

The adoption of a new employee code of conduct will promote a culture of high standards of ethical conduct amongst employees. If any breach amounts to a criminal offence, then guidance to employees explaining the impact of the code will provide that the Council may report the matter to the Police or appropriate authority.

9. Equalities and Environmental Implications

Non specific.

10. Conclusion

The introduction of a Statutory Code of Conduct will provide a framework for all local authorities to determine and implement common standards of conduct and behaviour for local government employees. As stated above the Code will define minimum standards and the Council will be able to develop its own protocols to support the core principles to meet local service delivery needs. It is therefore recommended that the Council should support the introduction of a statutory code of conduct and to respond to the specific questions raised in the consultation document as outlined in Appendix B.

Appendix A

Draft Model Code of Conduct for Local Authority Employees

THE EMPLOYEES' CODE OF CONDUCT

Honesty, Integrity, Impartiality and Objectivity

1. An employee must perform his duties with honesty, integrity, impartiality and objectivity.

Accountability

2. An employee must be accountable to the authority for his actions.

Respect for Others

3. An employee must –

- a) treat others with respect;
- b) not discriminate unlawfully against any person; and
- c) treat members and co-opted members of the authority professionally.

Stewardship

4. An employee must –

- a) use any public funds entrusted to or handled by him in a responsible and lawful manner; and
- b) not make personal use of property or facilities of the authority unless properly authorised to do so.

Personal Interests

5. An employee must not in his official or personal capacity –

- a) allow his personal interests to conflict with the authority's requirements;
or
- b) use his position improperly to confer an advantage or disadvantage on any person.

Registration of Interests

6. An employee must comply with any requirements of the authority –

- a) to register or declare interests; and
- b) to declare hospitality, benefits or gifts received as a consequence of his employment.

Reporting procedures

7. An employee must not treat another employee of the authority less favourably than other employees by reason that that other employee has done, intends to do, or is suspected of doing anything under or by reference to any procedure the authority has for reporting misconduct.

Openness

8. An employee must –

- a) not disclose information given to him in confidence by anyone, or information acquired which he believes is of a confidential nature, without the consent of a person authorised to give it, or unless he is required by law to do so; and
- b) not prevent another person from gaining access to information to which that person is entitled by law.

Appointment of staff

9. (1) An employee must not be involved in the appointment of any other decision relating to the discipline, promotion, pay or conditions of another employee, or prospective employee, who is a relative or friend.

(2) In this paragraph –

- a) “relative” means a spouse, partner, parent, parent-in-law, son, daughter, step-son, stepdaughter, child of a partner, brother, sister, grandparent, grandchild, uncle, aunt, nephew, niece, or the spouse or partner of any of the preceding persons; and
- b) “partner” in sub-paragraph (a) above means a member of a couple who live together.

Duty of trust

10. An employee must at all times act in accordance with the trust that the public is entitled to place in him.

Appendix B

Specific questions raised by the Government in relation to the scope and content of the proposed Code of Conduct

Question 1

Is the government right to exclude teachers, fire-fighters and community support officers?

Suggested Response

The terms and conditions of employment for firefighters and community support officers do not directly affect the Council. However it would seem appropriate for all employees in public service to be covered by the same provisions.

In Lewisham schools are encouraged to apply Lewisham's policies and procedures and we would wish all our employees to be governed by the same principles which apply equally to teaching as elsewhere. School support staff come under normal Lewisham provisions and it would not therefore be appropriate for them to be excluded from the Code.

Question 2

Are there other categories of employee who should be subject to the employees code, for example, school support staff? If so, which categories, and why should they be excluded?

Suggested Response

See Question 1

Question 3

Do you agree that council managers should be subject to the same code as other employees?

Suggested response

This does not apply to Lewisham as the Council does not operate this model of political administration. The Government however is proposing that where a local authority has adopted this model of governance then the council manager should be treated as any other employee and should therefore be subject to the Code.

It is suggested that the Council should support the Government's proposal that council managers should be subject to the employee code of conduct.

Question 4

Should different rules, or a separate Code, apply to political assistants?

Suggested response

Political assistants are employed by the local authority. The Government is therefore proposing that the employee Code of Conduct should apply to them on the understanding that in the case of these staff the principle of impartiality in the Code would not imply a duty of political neutrality.

The Council would wish the Code to apply to all employees and it is therefore suggested that the Government's proposal should be supported.

Stewardship

The Code proposes that an employee must –

- (a) use any public funds entrusted to or handled by him in a responsible and lawful manner; and
- (b) not make personal use of property or facilities of the authority unless properly authorised to do so

Question 5

Are the provisions relating to the use of public funds and property adequate to ensure effective stewardship of resources?

Suggested response

The Government intends the new Code will define the minimum standards and it is open to authorities to impose additional, more stringent conditions as part of local terms and conditions of employment.

The Council's Financial Regulations etc will therefore supplement the principles of the Code. On this basis it is suggested that the provisions relating to the use of public funds and property will be adequate to ensure effective stewardship of resources.

Personal Interests

The Code proposes that an employee must not in his official or personal capacity

- a) allow his personal interests to conflict with the authority's requirements or
- b) use his position improperly to confer an advantage or disadvantage on any person.

This paragraph reflects the fact that the activities of an employee outside the working environment are under public scrutiny in a way that private sector employees are not; the Code therefore requires higher standards of conduct from them.

Question 6

Is it appropriate for the code to impact on an employee's private life or should it only apply to an employee at work?

Suggested response

The Council's existing code of conduct already reflects this provision. The community must be able to have trust and confidence in the authority's staff. The Council believes that it should not interfere with an employee's life outside of work so long as his/her actions do not conflict with the above provisions or bring the Council into disrepute.

Registration of Interests

The Code proposes that an employee must comply with any requirements of the authority to

- (a) register or declare interests and
- (b) to declare hospitality, benefits and gifts received as a consequence of his employment.

Question 7

As with the members' code, should there be a standard list of interests and/or hospitality/benefits/gifts that must always be registered?

Suggested response

Chief Officers and related staff are required to declare any interests (financial or otherwise). The Council has a Code for Receipt of Gifts and Hospitality and employees are required to register any gifts or hospitality received. Rather than have a prescribed list the Council would wish to see examples provided within the explanatory guidance.

Question 8

If so, what should the list contain? Should it mirror part three of the councillors' code or be restricted to financial interests?

Suggested response

The list could mirror part 3 of the Member Code but only at a very senior level.

Question 9

Should such a list be available to the public?

Suggested Response

The Council would wish the declaration of interests/registration of gifts and hospitality to be monitored internally.

We do not consider that the requirement to declare interests ought to be made more restricted for all employees as they are already required to declare any conflict of interests. However it would be appropriate for senior managers to whom decision making is delegated to register interests similar to Members..

Question 10

Alternatively, could the need for a list be restricted to officers above a certain salary, as applies, for example, to the current political restrictions regime?

Suggested response

The Council would support the need for a list to be restricted to senior management. However all employees should be required to declare any interests/receipt of gifts or hospitality as appropriate.

Question 11

Should this provision be explicitly limited to interests, gifts etc, that may have a bearing on the way in which the functions of the authority are discharged by the employee?

Suggested Response

No - It is often impossible to tell in advance which interests will affect the functions of the authority

Reporting Procedures

The Code proposes that an employee must not treat another employee of the authority less favourably than other employees by reason that another employee has done, intends to do, or is suspected of doing anything under or by reference to any procedure the authority has for reporting misconduct.

The wording of this provision is unclear but it apparently aims to address the need to protect employees to blow the whistle from victimisation.

Question 12

Does the proposal on the reporting of misconduct provide suitable protection for employees?

Suggested response

Employees are already protected from victimisation by the Public Interest Disclosure Act 1998 and under the Council's whistleblowing procedure.

Question 13

Should the Code impose a duty on employees to report misconduct?

Suggested response

This would be very difficult to impose and could undermine working relationships. It is already part of management's responsibility to take appropriate action to deal with misconduct.

Appointment of Staff

The code proposes that an employee must not be involved in the appointment or any other decision relating to the discipline, promotion, pay or conditions of another employee, or prospective employee, who is a relative or friend.

'relative' means a spouse, partner, parent, parent-in-law, son daughter, step-son, step-daughter, child of a partner, brother, sister, grandparent, grandchild, uncle aunt, nephew, niece or the spouse or partner of any of the above.

'partner' means a member of a couple who live together.

Suggested general response

This is too restrictive. It would be difficult for senior employees to avoid all involvement in decision making. Employees should be expected to declare an interest and should not participate in any appointment etc where this would cause or potentially cause a conflict of interest. Distinction should be made between policy making and taking decisions on individual matters.

Question 14

Is 'friend' the appropriate term to use in the draft code? If so, should it be defined, and what should the definition be? (For example, a person with whom

the employee spends recreational time outside the work environment, or actively shares a mutual interest?)

Suggested response

It is impossible to define friendship in this context. The Council would expect an employees to close relationship which could result personal gain for either party. Friendship in the Member code is defined as 'a relationship going beyond regular contact with colleagues in the course of employment. Social contact is likely to be a strong indicator of friendship but not necessarily the only one'. Work colleagues often spend time together outside the work environment (leaving parties etc) but would not in normal circumstances be regarded as friends.

Question 15

Does the phrase 'relative or friend' as defined above adequately cover all the relationships with which this part of the code should be concerned?

Suggested response

The Council would expect a person to declare an interest if they know the person in any outside capacity eg contractual relationships, former work colleagues etc.

Question 16

Do you have any comments on what arrangements might be appropriate for ensuring employees are informed about the code?

Suggested Response

The introduction of a Statutory Code of Conduct goes to the heart of the psychological contract between the employee and public sector employer. The fact that higher standards are required of public sector employees should be reflected in how they are treated and in their pay and benefits.

Employees within the Council are already aware of the internal Code of Conduct as it is attached to their contracts of employment. However we would need to ensure internal publicity of the new Statutory Code.

Committee	STANDARDS COMMITTEE	Item No	5
Report Title	A REVIEW OF THE COUNCIL'S WHISTLEBLOWING POLICY		
Ward			
Contributors	HEAD OF LAW		
Class		Date	11 November 2004

1 Summary

This short report outlines the key features of the Council's existing whistleblowing policy, setting out the referrals made under it since December 2002, as well as making suggestions for minor amendments to it.

2 Recommendations

- 2.1 To note the referrals under the Council's whistleblowing policy set out in this report and the action taken in relation to them.
- 2.2 To amend the whistleblowing policy slightly in accordance with the proposals set out in Appendix 1.
- 2.3 To ask the Head of Law to ensure that the new policy is promoted in accordance with paragraph 6 of this report.

3 Background

- 3.1 The Council introduced a whistleblowing policy in 1998. It was amended in November 2001 and again in December 2002, when it was last reviewed by this Committee. A copy of the current policy appears at Appendix 1. The purpose of the policy is to provide a means by which complaints of malpractice or wrongdoing can be raised by those who feel that other avenues for raising such issues are inappropriate whether because they fear repercussions or for some other reason. As members of

the Committee will see, the policy confirms that so far as possible, those raising complaints under the whistleblowing policy will be treated confidentially. Members will also note that complaints may be raised in relation to the actions of Councillors or employees.

- 3.2 Until his retirement, referrals under the whistleblowing policy were dealt with by the Head of the Chief Executive's office. Since then referrals have been made to the Head of Law. This seems appropriate as the duties of the Monitoring Officer transferred to the Head of Law in July 2001 under the Local Government Act 2000.

4 **Referrals Since December 2002**

There have been six referrals to the Head of Law. They are as follows:

4.1 Case A

A referral was made to the Head of Law by the Mayor in relation to a complaint he received on 8 January 2003. The complainant alleged that a home owner had been improperly allocated a Council property. This was an anonymous complaint received by e-mail. The Head of Law asked the Head of Housing to investigate on her behalf. He did so. The matter related to the allocation of temporary accommodation to an applicant who was experiencing domestic violence. The applicant was also a Council employee. It is true that the applicant was offered temporary accommodation. However, her manager, seeing the sensitivity of the situation where an employee, presented as homeless cleared his actions with his senior manager before allocating temporary accommodation, and all key information was properly disclosed and recorded.

As a result of this anonymous referral, Internal Audit was asked to review arrangements around offers of accommodation to ensure that the potential for any actual or perceived abuse was minimized. Arrangements were put in place that any allocation of a Council property could only be agreed by a member of the Council's Housing

Management Team, following a recommendation from the Council's Re-housing Manager. The matter was completed on 24 April 2003 but no response was sent to the complainant as they remained anonymous.

4.2 Case B

An employee in the Council's Building Management Team made allegations under the whistleblowing procedure. He first met the Head of Law on 3 October 2003. The complainant was on suspension and about to attend a disciplinary hearing to answer allegations of gross misconduct. His complaints were:

- a) the Special Investigations Unit had not conducted a proper investigation into allegations made by the complainant about a manager;
- b) the Special Investigations Unit had wrongly divulged his identity to a personnel representative who was advising that manager in the disciplinary issues against the complainant;
- c) that the treatment of the complainant following an allegation made by a contractor (i.e. suspension) and that of his manager following the complainant's allegations (no suspension pending full internal audit investigation) had not been equitable.

Given the nature of the allegations, which related to a large extent to whether an audit had been properly conducted, a senior finance professional who had no previous links with this case was asked by the Head of Law to investigate on her behalf. Her findings were in relation to the allegations as numbered above:

- a) the investigation conducted by the Special Investigation Unit was adequate. However, she also found that the decision not to interview the manager in the course of that investigation was questionable;
- b) that the identity of the complainant as a whistleblower was apparent from letters sent by him to personnel as part of the disciplinary proceedings;

c) the decision to suspend the complainant on the balance of evidence available appeared reasonable. The decision not to suspend the manager until further evidence had been obtained also appeared reasonable. However, it was also recommended that further work should take place in pursuit of the recommendations of the follow-up audit in Property Management.

A copy of the final report was sent to the complainant in February 2004. The relevant managers were also informed of the action recommended by the investigating officer.

In respect of finding a), it was not possible to interview the manager who had by that time left the Council's service.

4.3 Case C

An anonymous complaint was received under the whistleblowing procedure that a tenant had been misled by a housing management contractor, with particular reference to land occupied by sheds at the tenant's property. The complaint was dated 17 December 2003. The Head of Law asked the Head of Housing to investigate on her behalf. He did so and a response was sent to the complainant on 12 January 2004, which concluded that no misleading information had been given to the tenant.

In relation to finding c) the Head of Service who took up the post in 2003 found that the procurement procedures were not strictly compliant with the recommendations of the Audit Report of 2000, so she implemented changes in the Property Division as an interim measure.

The services with Corporate Finance and Property Division, which are procured are as listed below:

- facilities management of corporate estate (office accommodation) including cleaning, security, planned and responsive repairs and maintenance, office moves.

- acting as client for various capital projects which delivers investment in the above buildings.

As well as dealing with the non compliance issues, other factors also meant a review of practices was required ie changing legislation on responsibility of building managers with respect to Health & Safety that needed consideration. A balance had to be struck in delivering procurement compliance within an acceptable level of risk to the authority on the competence of consultants/contractors actually undertaking the works. Previous contractors who were used regularly by the Council have now been removed from the contractor list due to them not meeting the necessary H&S standards for carrying out works.

This has led in some instances to very few contractors being used at present for certain types of works but with the assurance that they are deemed competent to undertake the work. This position is being rectified as Property services are now in the process of tendering for services that will mean fully compliant contracts for planned and responsive repairs across all council buildings (non housing/non schools) that will also ensure we comply with H&S regulations.

4.4 Case D

An anonymous letter was received dated 29 December 2003, alleging that a Housing employee had been stealing materials to refurbish his own premises. The Head of Law referred the matter to the Head of Housing to investigate. The Head of Housing looked into this anonymous allegation. The allegations are virtually identical to those made by the employee's ex-partner approximately one year before following an acrimonious separation. The ex-partner refused to be interviewed or supply any details. The timing of this allegation coincided with a child custody dispute. Notwithstanding this, the manager investigated these allegations and found no evidence of any improper conduct and no further action was taken.

4.5 Case E

A referral was received dated 29 June 2004 from a premises officer at an educational establishment who had been suspended whilst allegations of misconduct were investigated. He alleged that his managers were making false allegations against him. The Head of Law asked the Assistant Director of Education to investigate but before that investigation was complete, the whistleblower returned to work and he withdrew his allegations under the whistleblowing procedure. The matter was concluded on 18 August 2004 when the Head of Law wrote to the whistleblower confirming his withdrawal.

4.6 Case F

A referral was received in October 2004 from the Chief Executive of a voluntary organization of improper conduct by Council Officers. That matter is currently under investigation and the outcome will be reported on the next review of the whistleblowing procedure.

5 **Review of the Policy**

5.1 The attention of Members is drawn to the contents of the existing policy appearing at Appendix 2. Members of the Standards Committee will see that only minor amendments are recommended to the existing whistleblowing policy. These reflect the fact that regulations have now been issued enabling the Standards Committee to deal with complaints referred to by the Standards Board and it is recommended that the appropriate paragraph in the whistleblowing policy be amended.

6 **Publicity for the Whistleblowing Policy**

Following the Standards Committee's last review of the whistleblowing policy, the policy was publicised by an article in *Lewisham Life* and an item in the *Managers' Update* newsletter. A copy is also on the Council's website. As there have been six referrals under the policy this year, it would seem to indicate that it is a policy of which members of the public and Council staff are aware. However, given the Council's commitment to the promotion of the

highest standards of conduct in public life, it is suggested that it be promoted again now to both public and staff using similar methods.

7 Financial Implications

The cost of amending the whistleblowing policy and the publicity campaign can be contained within existing budgets.

8 Legal Implications

- 8.1 The review and amendment of the whistleblowing procedure as suggested in this report is consistent with the Council's overall fiduciary duty to exercise proper custodianship of the Council's funds and assets. By seeking to ensure that the policy is effective and is also consistent with the role set out for the Standards Committee under Part III Local Government Act 2000 to promote the highest standards of ethical conduct.
- 8.2 The Public Interest Disclosure Act 1998 affords certain protection to employees who blow the whistle on wrongdoing, for example by providing for dismissal as a result of doing so to be unfair, giving rise to compensation and possible reinstatement.
- 8.3 Part III Local Government Act 2000 and regulations made under it require authorities to adopt a member code of conduct which complies with minimum statutory requirements. Lewisham has done so and filed a copy with the Standards Board for England, the national body to whom written complaints are to be referred. The Board may then investigate itself, or refer a complaint back to the Council to investigate and deal with at the Standards Committee. The minor proposed amendments to the whistleblowing policy reflect the fact that regulations have been made under Section 66 of the Local Government Act 2000 dealing with referrals to Standards Committees. Although the Standards Committee will not have responsibility for breaches of the employee code of conduct, the whistleblowing policy also relates to allegations of wrongdoing by employees, for whom a new statutory code of conduct is now subject to consultation.

8.4 The Human Rights Act 1998 incorporates the European Convention on Human Rights into domestic legislation and gives a right of recourse in local courts. Any investigation under the whistleblowing procedure (or any related investigatory hearing) must ensure that there is compliance with Article 6 of the Convention, which gives a right to a fair hearing, and with the rules of natural justice.

9 **Crime & Disorder Implications**

An effective whistleblowing policy should facilitate complaints under it being brought to light and so enable allegations which may relate to criminal activity to be investigated. It also contributes to a culture of ethical behaviour of the highest standard and is evidence of the Council's commitment to tackling wrongdoing brought to its attention.

10 **Equalities & Environmental Implications**

There are no specific environmental implications. A whistleblowing policy which protects the complainant in so far as possible probably encourages those who are less confident in dealing with bureaucracy to come forward if they suspect wrongdoing.

11 **Conclusion**

Members are asked to note the referrals under the existing policy and to amend it in accordance with Appendix 1.

Whistleblowing Policy

The Council is committed to the provision of the highest quality services for local people and to full accountability for the services it provides. The Council is also committed to the highest standards of conduct and has in place detailed rules, regulations, quality standards and procedures to ensure that these standards are observed. However, sometimes malpractice and wrongdoing may occur. Lewisham is not prepared to tolerate any such malpractice or wrongdoing in the performance of its services.

The Council acknowledges that the greatest deterrent to malpractice or wrongdoing is the probability that it will be discovered, reported and investigated thoroughly and that those responsible will be held to account. This policy is intended to be a clear and unequivocal statement that whenever any malpractice or wrongdoing by the Council,, its employees, contractors or suppliers is identified or reported to the Council, it will be promptly and thoroughly investigated and rectified. The Council will also investigate means of ensuring that such malpractice or wrongdoing can be prevented for the future.

The scope of the whistleblowing policy

The Principles

The policy is based upon the overriding principle that the public interest and the needs of service users must come first.

The whistleblowing policy complies with the requirements of the Public Interest Disclosure Act 1998.

What is covered?

It is intended that any significant concern which a member of staff, service user, Councillor or member of the public has about

- ◆ any aspect of service provision
- ◆ the conduct of officers or Members of the Council, or
- ◆ the conduct of any other parties acting on behalf of the Council, which may be:
 - ◆ unlawful (including fraud or corruption)
 - ◆ against the Council's Standing Orders or policies
 - ◆ contrary to established professional or other standards, the Council's Member and Employee Code of Conduct or any other established Codes of Practice can be reported under this procedure

It is not intended however, that this procedure should replace existing

processes such as the grievance or disciplinary codes. Instead it may be that once the whistle has been blown, action under other processes (such as the disciplinary code) may ensue.

A supplement not a substitute

Anyone, including Councillors, employees, service users and members of the public are encouraged to raise complaints or matters of genuine concern with the Council. There are already in existence a number of channels available to raise such concerns. Where an appropriate avenue exists to deal with that concern, people are urged to use it. This whistleblowing policy is intended to supplement, rather than replace the existing procedures wherever practicable. These channels are:-

◆ Service Managers/Directors

Anyone with a complaint about Council services is encouraged to contact the manager directly responsible for that service or the relevant Executive Director. In most cases where there is concern this avenue will be the first point of reference. If a complaint relates to an Executive Director, it should be referred to the Chief Executive.

◆ The Council's Complaints Procedures

The Council has a corporate complaints procedure by which it invites any person to raise a complaint they may have about Council Services. Information about this procedure is available from the Advice and Information Service on extension 48761

◆ Local Councillors

Members of the public are encouraged to refer matters of concern to their local Councillor who can then either identify the best point of contact for them to report the matter or take up the issue on their behalf. Information about how to contact local Councillors is available from Governance Support at Lewisham Town Hall on extension 49455

◆ The Council's Grievance Procedure

This deals with complaints relating to an individual employee's condition of employment. See section 7 of this Guide. The whistleblowing policy is not intended to replace the grievance procedure and should not be used to deal with matters which relate to an individual's contract of employment. If a concern is raised through the whistleblowing policy which would be more properly dealt with through the grievance procedure, it will be referred to Andreas Ghosh, Head of Personnel and Development.

◆ **Anti-fraud Procedures**

The Council's Financial Regulations provide that any suspected fraud, corruption or other financial irregularity should be reported to the Special Investigations Manager who will conduct an investigation and recommendations for appropriate action. Further information about this procedure can be obtained from Carol Owen Ext. 47909

◆ **Housing Benefit Fraud**

The Council has a team which deals with Housing and Council Tax Benefit fraud.

Staff working in Housing Benefits have fixed procedures for dealing with fraud but anyone else suspecting Housing or Council Tax Benefit fraud should telephone the hotline, ext. 47311.

Further information is available from Martina Lomas, Principal Fraud and Visiting Manager ext. 46216.

◆ **Tenancy Fraud**

The Council has a dedicated Housing Investigations Team which investigate unauthorised tenancies and illegal subletting. Anyone suspecting a Council property is illegally occupied can contact the tenancy fraud hotline on ext. 49923.

◆ **Statutory Officers**

In addition the officers who have particular responsibility for regulating the conduct of the Council and its activities. They are as follows:

Chief Executive **Barry Quirk ext 46444**
(Head of Paid Services - responsible for overall management of the workforce)

Executive Director for **Rob Whiteman ext 48013**
Resources and Deputy Chief Executive
(Chief Finance Officer - The Council's officer with responsibility for the financial management, audit and financial probity of the Council)

Head of Law **Kath Nicholson ext 47648**
(Monitoring Officer dealing with advising on the probity and legality of the Council's decision making)

The Head of Law, as Monitoring Officer, is the Council's Whistleblowing officer.

Employees with serious concerns about Councillors should in the first instance raise them with the Head of Law.

The Head of Law may have to pass on concerns regarding Councillors to the Independent Standards Board which is a national regulatory body. When the draft regulations are finalised, - the matter may or may not be given back to the Council for investigations. Complainants may alternatively refer directly to the Standards Board.

◆ **The Standards Committee**

The Council also has a Standards Committee made up of councillors and independent people. It is currently chaired by an independent person, Sally Hawkins. The role of the Standards Committee is to promote the highest standards of ethical conduct amongst members. It keeps the Member Code of Conduct under review and ~~has in time is to be~~ been given power, by regulation, to investigate complaints of breach of the Member Code of Conduct referred to it by the Standards Board for England.

In the First Place...

People are primarily encouraged to use any and all of the mechanisms for raising concerns as set out above. For Councillors, public and staff it is likely that the majority of concerns will be dealt with by bringing the matter to the attention of management in the relevant Directorate. Such references are positively welcomed by the Council and once the issue is brought to light the manager will treat the complaint seriously, investigate it promptly and inform the complainant of the outcome. The investigation officer will be expected to interview both the individual raising the complaint and the person complained against, as well as any other individuals as appropriate. If no further action is proposed, the complainant will be given an explanation. If further action is proposed under a separate Council procedure (such as the disciplinary code) the complainant will also be informed.

If a concern is raised by a member of staff, it would be normal for their first reference to be to their direct line manager. However, depending on the nature and sensitivity of the issue, or the identity of the alleged wrongdoer, the line manager may not be the appropriate manager. In such cases it may be more appropriate to raise the issue with a Head of Service or other senior manager. A member of staff may be accompanied by a friend when meeting management to raise a concern. In short, managers within Directorates will adopt a flexible and open approach so that those having concerns feel confident that they may raise them.

But if the usual channels are not appropriate?

Circumstances may arise where none of the channels above are reasonably available. It may be that the whistleblower fears repercussions for example, or senior members of staff or Councillors may be implicated. Alternatively the whistleblower may have used those channels but still feel that there is real cause for concern, In such circumstances the whistleblower may refer their concern to the Head of Law directly.

The Head of Law will then ensure that the matter is dealt with by her either personally or by a whistleblowing officer nominated by her and operating under her supervision.

How will the whistleblowing officer respond?

Acting under the supervision of the Head of Law the whistleblowing officer will first receive and record the complaint in a register kept specially for the purpose. An initial assessment will then be made to decide what sort of investigation ought to take place.

In the most serious cases, it may be that a Police enquiry will ensue or an independent investigation may be called for. In some cases the issue will be referred for a management investigation, possibly by the Chief Executive or another officer nominated to act on his behalf. Allegations of fraud, corruption or financial irregularity will be referred to the Special Investigations Manager for investigation.

In other cases however, it may not be appropriate to conduct any further enquiry at all. People are encouraged to raise genuine concerns and do not have to prove them. Understandably they do need to demonstrate that there is a sufficient basis for investigation. This initial consideration will allow the Council to decide on the appropriate method of enquiry and to ensure that resources are not wasted where investigation would be inappropriate.

Unless the issue is raised anonymously then the whistleblowing officer will generally interview the whistleblower as part of this initial assessment. If the whistleblower requests that his or her identity remains confidential then all possible steps will be taken to respect that wish.

If an investigation is to ensue then the whistleblower will be informed of the fact and given an estimate of the time by when the investigation will be completed. Normally the investigation will be conducted within 28 days, though the time taken to conduct an enquiry will depend on the nature of the concern and its complexity. The whistleblower will be informed of the outcome and this will be noted in the register.

In appropriate circumstances the Head of Law and/or the whistleblowing officer will prepared a report for the Council and the Standards Committee

dealing with the outcome of a particular investigation, the action taken to rectify the situation and prevent a recurrence.

Each year the Head of Law will prepare for the Standards Committee a report dealing with the application of the whistleblowing policy in the previous year, and making suggestions where necessary for changes to improve its efficiency.

Issues raised by Members of the Council or by the public shall be dealt with in a similar manner to those raised by employees, though serious concerns about the conduct of Councillors should in all cases be referred to the Head of Law.

◆ **Some General Safeguards**

- ◆ **No Victimisation**
The Council recognises that the decision to blow the whistle can be a difficult one to make, not least because there is a fear of reprisal from those who may be perpetrating malpractice or others. The Council will not tolerate any victimisation of a person who raises a concern in good faith and will take appropriate steps to protect them, including where appropriate disciplinary action.
- ◆ **Confidentiality and Anonymity**
The Council will, wherever possible, protect the identity of the whistleblower who raises a concern and does not want his/her name to be disclosed. However, this may not be possible in all circumstances as the very fact of the investigation may serve to reveal the source of the information and the statement of the whistleblower may be needed as part of evidence against the perpetrator.
- ◆ **False and Vexatious Complaints**
Just as the Council will seek to protect those who raise concerns in good faith, so it will seek to protect those against whom claims are made which turn out to be unfounded. A concern which is made in good faith and sincerely expressed may transpire to have no basis in reality. IN addition it is possible that vexatious or malicious claims may be made. The Council will take disciplinary action against any employee who makes a vexatious claim. IN either case, where it turns out that the claim was without foundation, the Council will use its best endeavours to ensure that any negative impact on the person complained of is minimised. However, the Council acknowledges that it may not be able to prevent all such impact in every case.

Alternative methods of complaint

As well as the initial complaints and whistleblowing policy procedures set out in this policy, any member of the public who wishes to make a complaint about the Council may contact one of the following organisations:

- ◆ Local Government Ombudsman - who receives and investigates complaints of mal-administration against the Council. He can be contacted at 21 Queen Ann's Gate, London SW1H 9BU, telephone 020 7915 3210
- ◆ The District Auditor - who investigates complaints of financial irregularity or unlawful expenditure leading to financial loss by the Council. To contact the District Auditor write to him at Millbank Tower, 4th Floor, Millbank Road, London SW1P 4QP, telephone 020 7233 6400
- ◆ The Standards Board for England - which considers allegations of breach of the Member Code of Conduct. The Standards Board will only consider complaints relating to Members of the Council, (not employees). To contact the Standards Board for England, write to 1st Floor, Cottons Centre, Cottons Lane, London SE1 2QG.

Further information about this whistleblowing policy can be obtained from Kath Nicholson ext 47648 or Helen Glass ext 49968.

Committee	STANDARDS COMMITTEE	Item No	6
Report Title	FINDING BY THE ETHICAL STANDARDS OFFICER		
Ward			
Contributors	HEAD OF LAW		
Class		Date	11 November 2004

1. Summary

This short report outlines a referral made to the Standards Board in relation to Parmavir Singha and the findings of the Ethical Standards Officer of the Standards Board.

2. Recommendations

- i) To note the position in relation to this referral to the Standards Board and to consider the matter afresh when the findings of the Adjudication Panel of the Standards Board are sent to this Committee.
- ii) To ask the Monitoring Officer to present a report to this Committee following receipt of the findings of the Adjudication Panel.

3. Background

- i) On 9 September the Council's Monitoring Officer made a referral to the Standards Board for England in respect of Parmavir Singha who had recently resigned from the Council following a conviction under the Vagrancy Act on 29 August 2003. It appeared that this represented a breach of the Council's Code of Conduct and the matter was referred to the Standards Board.
- ii) The matter was investigated by an ethical standards officer in the Summer of 2004.
- iii) The ethical standards officer of the Standards Board has now written to the Monitoring Officer advising that he has completed his investigation into the allegation that Mr Singha may have failed to comply with the Code of Conduct. He has decided that the matter should be referred to the President of the Adjudication Panel for England for adjudication by a case tribunal.

- iv) The Monitoring Officer has now been informed that the case tribunal is likely to hold a hearing in January 2005. Notice of the findings of the Adjudication Panel will be received in due course.

4. Financial Implications

There are no specific financial implications arising from this report.

5. Legal Implications

- 5.1 Part III of the Local Government Act 2000 sets out the ethical framework for local government. It places a statutory duty on local authorities to adopt a code of conduct, which contains statutory elements. Lewisham has adopted such a code and filed it with the Standards Board.
- 5.2 Allegations of alleged breaches of the Member Code of Conduct referred to the Standards Board for England are either investigated by the Board itself through an ethical standards officer, or referred to local standards committees for investigation. In this case, an ethical standards officer has conducted an investigation. Having conducted his investigation, the ethical standards officer may find:
- a) that there is no evidence of any failure to comply with the Code of Conduct;
 - b) that no action needs to be taken in respect of the matters which are the subject of the investigation;
 - c) that the matters which are the subject of the investigation should be referred to the Monitoring Officer of the authority concerned, or
 - d) that the matters which are the subject of the investigation should be referred to the President of the Adjudication Panel for England for adjudication by a tribunal.
- 5.3 As the ethical standards officer has referred this matter on to the Adjudication Panel, it will be for the case tribunal to decide whether or not there has been a failure to comply with the code of conduct. If the decision is that there has been a failure to comply, then the case tribunal must decide whether the person should be suspended or disqualified from being a Member for a period of up to five years.
- 5.4 The procedure which applies following the finding of a case tribunal is set out in Section 79 of the Local Government Act 2000 and depends upon the finding made. Appropriate advice will be given once the findings are communicated to the Council.

6. Crime and Disorder Implications

The promotion of the Council's Code of Conduct demonstrates its commitment to the highest standards of ethical behaviour amongst councillors. The referral followed a criminal conviction but it would not be appropriate to comment further on the particular circumstances of this case as the matter is before the case tribunal for decision.

7. Qualities and Environmental Implications

There are no specific implications arising from this report.

Committee	Standards Committee	Item No.	7
Report Title	Report on Corporate Governance		
Contributors	Kath Nicholson, Head of Law		
Class		Date	11 November 2004

1. **Summary**

In December 2002 the Standards Committee considered and endorsed a Code of Corporate Governance for the London Borough of Lewisham. This report reviews the Council's performance in respect of each of the Dimensions of the Code.

2. **Purpose**

To seek the Committee's views on the outcome of the review

The Council is committed to the highest standards of public management and corporate governance. Assessment against the local code will enable the Council to improve in this respect.

3. **Recommendations**

3.1 to consider the outcome of the review and make comments as appropriate;

3.2 to refer this report and any comments made by the Committee to the full Council for consideration.

4. **Background**

In 2002 CIPFA and SOLACE promoted a Code of Corporate Governance to local authorities. The Code includes five dimensions:

1. Community Focus
2. Service Delivery Arrangements
3. Structures and Processes
4. Risk Management and Internal Control
5. Standards of Conduct

Under each of these dimensions it advised Councils to include in their local code certain particular features. These are included in Lewisham's local code which appears at Appendix 1.

An assessment against each of the recommendations of the CIPFA/SOLACE guidance which is reflected in the local code appears at Appendix 2.

5. **Review**

The local Code of Corporate Governance requires that compliance with the code be monitored annually. In fact this report is the first such monitoring exercise.

However, the matter is scheduled to be considered at the next meeting of the full Council which takes place on 17 November 2004.

6. **Legal and Financial Implications**

There are no specific implications.

A Code of Corporate Governance

A What is a Code of Corporate Governance?

A Code of Corporate Governance might be defined as a statement of the system by which a local authority directs and controls the exercise of its functions and relates to the local community. This definition is founded on that used in the Cadbury Report on the Financial Aspects of Corporate Governance which related to the governance of private companies. However it also recognises the key role of local government in community leadership, by placing emphasis on relationships with local people.

B The Purpose of a Code of Corporate Governance

Aspects of corporate governance find expression in the everyday practices and procedures of a local authority. However an overarching Code of Corporate Governance fulfils the following purposes:-

- It stimulates confidence in the activities of local government, its politicians and employees, and the way it goes about business
- It focuses the minds of those involved in local government on making decisions in a proper way and engaging local stakeholders
- It assists with continuous improvement in the delivery of services, and serves to minimise the authority's exposure to risk.

C Fundamental principles

Cadbury identified three fundamental principles for corporate governance. They are:-

- Openness
- Integrity
- Accountability

These are as relevant in the public sector as the private – possibly more so. These fundamental principles were expanded by the Nolan Committee on Standards in Public Life, and further strengthened as the guiding principles underpinning the statutory model code of conduct for members. These principles are readily accepted by the Council as underpinning all local government activity. They appear as an Appendix to the Council's Member

Code of Conduct but are endorsed as applicable to all Council activity. They are:-

- **Selflessness** - members should serve only the public interest and should never improperly confer an advantage or disadvantage on any person
- **Honest 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 contract, 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 co-operate fully and honestly with any scrutiny appropriate to their particular office
- **Openness** - member should be as open as possible about their actions and should be prepared to give reasons for them
- **Personal Judgement** - members must take account of the views of others (and this may include 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, gender, sexual orientation or disability. They should respect the integrity and impartiality of the authority's statutory officers, and its other employees and not do anything to compromise that impartiality
- **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 always act in a way that secures or preserves public confidence.

D The decision making process

Decisions will be taken in accordance with the following:-

- a) the decision will be made following an evaluation of options
- b) the decision maker will take professional advice (including financial and legal advice where the decision may have legal and/or financial consequences)
- c) the decision will be taken following a consideration of all relevant matters and disregarding irrelevancies
- d) reasons for the decision will be recorded as will details of options considered with reasons for their rejection
- e) action taken will be proportionate to the result to be achieved
- f) respect for human rights will be balanced with the Council's duty to the wider community
- g) a presumption in favour of openness, unless there are compelling lawful reasons preventing the consideration of matters in public
- h) consultation appropriate to the matter under consideration
- i) clarity of aims and desired outcomes
- j) the highest standards of ethical conduct, avoiding actual, potential and perceived conflicts of interest
- k) consideration of business by Council members will be on the basis of written reports containing all relevant service, corporate, legal and financial considerations
- l) all executive decisions may be subject to scrutiny by the Overview and Scrutiny Committee in accordance with the Council's constitution
- m) decisions will be taken in accordance with the Council or Mayoral Scheme of Delegation as appropriate, and these schemes will be maintained, kept up to date and made available to the public

E Ethics

1. The Council will maintain and promote a Member Code of Conduct, which complies in all respects with all legal requirements.
2. The Council will maintain an Employee Code of Conduct, which complies with all legal requirements and promotes the highest standards of behaviour among employees.
3. Training will be provided for members and staff on the operation of the Codes of Conduct.
4. The Council will maintain a Members' Register of Interests in accordance with the law, and inform members of their duty to keep it up to date.
5. Key senior staff will be requested to disclose any interests which they have, which if they were a member they would be required to disclose, and a register kept of those interests declared.
6. The Council will maintain a protocol relating to the relationship between members and staff, promoting professional and effective relations between staff and all members, whether members of the Cabinet or overview and scrutiny.
7. The Council will adopt and maintain a whistleblowing policy, which is made widely available, and will report on referrals under it each year.

F Members' roles

1. The Council will document the roles of all members of the authority including the relative roles of the Mayor and Cabinet and non-executive members of the authority. Officers will support all members in the performance of these roles.
2. Members will maintain appropriate schemes of delegation and in particular define those matters reserved for collective decision by the full Council.
3. Members will put in place clearly documented processes for policy development, implementation and review and for decision making, monitoring and control, as well as procedural and financial regulations relating to the conduct of Council business.
4. Members will recognise that although within the Council they may fulfill different roles (for example as scrutineer or member of the political Executive) the Council remains a single corporate entity and can only function effectively if there is an appropriate balance between this corporate approach and the need to ensure that executive decisions are made appropriately and scrutinised constructively.

5. As required by law, members will put in place the terms of their remuneration and arrangements for review by an Independent Remuneration Panel.
6. Each year the Council will publish details of remuneration paid to each member of the Council.

G Officers' roles

1. The Council will maintain the post of Head of Paid Service (Chief Executive - responsible for the management of the Council's workforce and overall corporate management of the authority) separate from the political executive of the authority.
2. The Council will maintain the post of Chief Finance Officer to advise on the proper administration of the Council's financial affairs, keeping proper financial records and maintaining effective systems of financial control.
3. The Council will maintain the post of Monitoring Officer who will be the person responsible to the authority for ensuring that procedure, legislation and good practice are complied with.
4. The Head of Paid Service, the Monitoring Officer and the Chief Finance Officer shall be entitled to attend any meeting of the Council, the Mayor and Cabinet or any committee.
5. When considering any matter members must have regard to the advice of the Council's statutory officers.
6. All staff will have job descriptions which clearly define their roles, responsibilities and remuneration.
7. Council employees will support and advise all members of the Authority irrespective of whether they are executive or non-executive members.

H Accountability and Community Focus

1. The Council will record its decisions in writing and make those written records and the reasons for a decision available to the public.
2. All decisions made by the Mayor or delegated by him will be available for scrutiny by the overview and scrutiny committee in accordance with the Council's constitution.

3. The Mayor, members of the Cabinet and Executive Directors may be required to give account for their performance to the relevant overview and scrutiny committee.
4. The Council will publish annual performance targets in its Best Value Performance Plan and report on performance against those targets annually.
5. The Council will adopt a performance management framework to analyse key performance indicators and make information about performance against those indicators publicly available periodically.
6. The Council will put in place mechanisms to encourage participation in the affairs of the Council by individuals and groups from a broad cross section of the community, and will monitor their effectiveness.
7. In consultation with the local community will develop a vision for the local community and other stakeholders and will ensure that that vision is expressed clearly and publicised.
8. The Council will co-operate fully with external inspectors and respond positively to their findings, making arrangements to implement agreed actions effectively.

I Financial matters

In addition to those financial matters raised elsewhere in this [draft] code, the Council will:-

- put in place a process by which resources are allocated to priorities
- adopt a financial reporting process to ensure that members receive financial monitoring reports at appropriate intervals
- maintain an objective and professional relationship with external auditors
- publish an annual statement of accounts in a timely manner

J Risk Management

1. The Council will put in place a robust system for identifying and evaluating significant risks to the authority
2. The Council will put in place effective risk management systems, including systems of internal control as well as effective arrangements for an objective review of risk management and internal control

3. Annually the Council will publish an objective balanced and understandable statement and assessment of the authority's risk management mechanisms and their effectiveness.

K Review

The Council will monitor compliance with this Code annually. The Head of Paid Service, Chief Finance Officer and the Monitoring Officer will present a joint report to the Standards Committee on the extent of compliance, and the Council's annual statement of accounts will contain a statement explaining the extent of compliance. The officers will also present any proposals for amendment to the Code for consideration.

Appendix 2

Dimension 1: Community Focus

The local code should reflect the requirements to:

(a) publish on a timely basis an annual report presenting an objective, understandable account of the authority's:

- activities and achievements
- financial position and performance

The reports should include statements:

- explaining the authority's responsibility for the financial statements
- confirming that the authority complies with relevant standards and codes of corporate governance
- on the effectiveness of the authority's system for risk management and internal control

Evidence of compliance/non-compliance:

In June 2004 the Council published its Performance Plan for 2004/05. At the end of March 2004 the Council published a summary of its service performance for 2003/04, which reported performance against 10 pledges for 2003. Both these documents were published on the Council's website and copies were made available at

libraries, in Lewisham Life (summary 2003/04 only) and other council buildings and in many different formats.

The final audited statement of accounts for 2003/04 were approved by Council on 15th September 2004 and were published on the website thereafter. The accounts reported financial performance for the 2003/04 year and included a statement of internal control. This statement identified the internal control environment, a review of its effectiveness and significant internal control issues.

M&C receive between 3 and 4 monitoring reports each financial year for both revenue and capital budget monitoring. These reports are public documents and are available on the website.

Mayors management board receive quarterly reports (and an end of year report) on the councils activities, reporting performance on people, key projects, finance and key service performance indicators.

Dimension 1: Community Focus

The local code should reflect the requirements to:

(b) publish on a timely basis a performance plan presenting an objective, balanced and understandable account and assessment of the authority's:

- current performance in service delivery
- plans to maintain and improve service quality

Evidence of compliance/non-compliance:

The Corporate Performance Plan (formerly BVPP) is published by the 30 June each year. The document contains information on the following:

- Purpose of the plan
- Vision values and key priorities of the Council
- Efforts towards delivering on equality diversity and public engagement
- How performance is managed and CPA
- Arrangements for governance
- Finance
- Cross cutting issues
- Performance tables showing how services have performed against national and local benchmarks and what targets are to be set for future years.

An annual performance statement is also circulated to the homes of Lewisham residents by the 31 March each year.

Both the Corporate Performance Plan and the Performance Statement are held within the Policy and Partnerships Unit.

Dimension 1: Community Focus

The local code should reflect the requirements to:

(c) put in place proper arrangements for the independent review of the financial and operational reporting processes

Evidence of compliance/non-compliance:

The Council's Internal Audit function is reviewed annually by the Audit Commission.

The Council's external auditors, the Audit Commission, carry out an independent audit of the Council's Systems of Internal Financial Control and report their findings in an annual management letter. Their letter dated April 2004, based on their audit of 2002/03, was reported to Members.

For the year 2003/04, the management letter has not yet been received but the auditors have reported under SAS 610 to Council on 15th September, as part of their sign off of the 2003/04 accounts.

Dimension 1: Community Focus

The local code should reflect the requirements to:

(d) put in place proper arrangements designed to encourage individuals and groups from all sections of the community to engage with, contribute to and participate in the work of the authority and put in place appropriate monitoring processes to ensure that they continue to work in practice

Evidence of compliance/non-compliance:

Our Community Strategy sets out our vision and priorities for action for the Borough. This strategy pulls together a vast array of existing strategies and plans and therefore has not required 'new money' to deliver. It does, however, create an overarching framework to improve the targeting of existing mainstream funding towards delivery of key priorities and forms an important part of the Council's service, performance and budget planning framework. The development of this strategy placed a strong focus on consultation. Council Members and partners across the statutory, public and private sector partners were all engaged from the beginning and local residents were invited to provide feedback on the draft proposals, and feed back into the strategy development process.

See further responses at 1(f) and 1(g).

Dimension 1: Community Focus

The local code should reflect the requirements to:

(e) make an explicit commitment to openness in all of their dealings, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so, and by their actions and communications deliver an account against that commitment

Evidence of compliance/non-compliance:

The Council has made an explicit commitment to openness in all its dealings, subject only to the need to preserve confidentiality in specific circumstances where it is proper and appropriate to do so.

This is clearly expressed in its constitution at Article 1, which states the Council's aims and purposes, to make it clear who is making decisions. The Council also sets out there the principles of decision making. These include "a presumption in favour of openness, unless there are compelling lawful reasons preventing the consideration of matters in public".

The Constitution provides for the Mayor to make decisions in public at a meeting of the Mayor and Cabinet convened as if the meeting were taking the decision collectively. There are clear access to information provisions set out in the Constitution at Part G of the Constitution. They are adhered to. These rules and the rest of the Constitution are on the Council's website, as are notices of meetings and decisions. Preparations for the Freedom of Information Act in January 2005 are well advanced and the Council's Freedom of Information policy underlines this commitment to openness wherever possible.

Dimension 1: Community Focus

The local code should reflect the requirements to:

(f) establish clear channels of communication with all sections of their community and other stakeholders, and put in place proper monitoring arrangements to ensure that they operate effectively

Evidence of compliance/non-compliance:

Clear and effective channels of communication exist with the Community

◆ We use a range of methods to communicate with different sections of the Community. These include our Annual Residents Survey, Citizens Panel, Focus Groups, Area Forums and Ward Visits by the Mayor to discuss local issues and user forums. The Council produces a regular newsletter (six issues a year) and this is distributed to every home and business in the borough. Information is also published on our website, and within local trade and national media and radio stations. There are also a number of publications including leaflets, booklets and a range of newsletters including one for teachers, some covering neighbourhoods and Urban Renaissance which deals with regeneration issues and the Town Centre development and other partner publications from the PCT, NDC and SLAM. Information is also produced in other formats including Braille and audio tapes. In addition, we work with other partners and the community sector to reach specific groups where a more targeting approach is required. These groups are often described as “hard-to-reach” groups, including minority ethnic groups (particularly those who do not speak English), and refugees and asylum seekers. We are also currently exploring e-consultation and engagement mechanisms to make it easier for our customers to provide feedback, at a time and place convenient to them, by offering a choice of consultation methods.

Clear and effective channels of communication exist with other stakeholders (e.g. Government Office)

- ◆ In progress. A series of regular meetings takes place between the Mayor/Senior officers and local MPs/MEPs.
- ◆ Close working with press offices of the different partner agencies including the Metropolitan Police, SLAM, PCT, NHS, Probation and other Government departments on a regular basis.
- ◆ Local Strategic Partnership and Public Services Delivery Board.
- ◆ National Government.

Channels of communication with external stakeholders are monitored to ensure that they operate consistently, reliably and effectively

- ◆ New structures and processes have been implemented to facilitate monitoring of consultation processes to ensure they are both consistent, effective and fair. These include the introduction of a Consultation Board, chaired by the Mayor, to co-ordinate and review consultation exercises, and ensure consistency and effective practice.
- ◆ Communication Plans are developed for specific campaigns and monitoring and evaluation systems are agreed with officers, and reviewed after each campaign to see how effective they have been. Evaluation measures include the number of articles published in local media and number of times messages are mentioned. In agreement with partners, communications are monitored regularly across all agencies to see how well messages are getting across and how many staff buy into the ideas etc. In relation to publications, response slips are built into leaflets etc., which are then returned for requests – this is an accurate method of analysing the cost benefit of each campaign.
- ◆ The Local Strategic Partnership and Public Services Board also provide mechanisms to communicate with other stakeholders such as partner public service agencies and the community sector and inform the Council.

Dimension 1 Community Focus

The local code should reflect the requirements to:

(g) ensure that a vision for their local communities and their strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders and that they are clearly articulated and disseminated

Evidence of compliance/non-compliance:

One such example of this is Lewisham's Community Strategy, which was agreed in January 2003 and launched in May of the same year.

Developmental work on the Community Strategy placed a strong focus on consultation. Council Members and partners across the statutory, public, private and voluntary sector partners were all engaged from the beginning. For example Members considered a presentation on the Strategy at the Scrutiny Committee for Governance. Further presentations were also made to the Community Safety and Drug Action Partnership and the Lewisham Health Partnership Board. Officers also met with members of the Deptford Community Forum and undertook outreach activity involving community groups and direct consultation with residents. It was from this consultation process that the Strategy's ten priorities emerged.

Lewisham's Community Strategy is such that it melds together a vast array of existing strategies and plans and therefore has not required 'new money' to deliver. As a composite document it does however create leverage opportunities to improve the targeting of existing mainstream funding towards delivery of key priorities and now forms an important part of the Councils service, performance and budget planning framework.

The Community Strategy is a public document accessible via the Lewisham Strategic Partnership and Council websites.

Further information on the Community Strategy can be accessed via the Policy and Partnerships Unit, where the document is held.

Dimension 2: Service Delivery Arrangements

The local code should reflect the requirements to:

- (a) set standards and targets for performance in the delivery of services on a sustainable basis and with reference to equality policies
- (b) put in place sound systems for providing management information for performance measurement purposes

Evidence of compliance/non-compliance:

(a) and (b)

Lewisham's performance management framework was described as 'excellent' in the corporate assessment element of the Corporate Performance Assessment. A review of this framework takes place annually. Through the analysis of performance indicator trends, results of satisfaction surveys, customer complaints and benchmarking, effective performance management helps to track the implementation and performance of policy in Lewisham. The performance management process also functions as a trigger providing early warning as well as a route to escalation and recovery.

Dimension 2: Service Delivery Arrangements

The local code should reflect the requirements to:

(c) monitor and report performance against agreed standards and targets and develop comprehensive and understandable performance plans

Evidence of compliance/non-compliance:

As part of the Council's performance monitoring process Directorate Management Teams consider service performance information on a monthly basis, whilst comprehensive performance reports, comprising Council-wide information are prepared by the corporate centre on a quarterly basis for Mayor's Management Board. Directorates also present performance information to their relevant scrutiny committee as required. The Council also publishes a Corporate Performance Plan by the 30 June and a performance statement by the 31 March each year. These documents clearly set out how the Council's services are performing and what plans are in place to improve.

Dimension 2: Service Delivery Arrangements

The local code should reflect the requirements to:

(d) put in place arrangements to allocate resources according to priorities

Evidence of compliance/non-compliance:

The Council's 2004/05 budget setting report to M&C and Council in February 2004 included a section that described the resource allocation process for allocating revenue growth in line with the Community Strategy and the Council's 10 priorities. Additionally a similar process was followed for allocating capital resources for the 3 year capital programme.

For the 2005/06 budget savings process (reports to M&C in June and October 2004) the reports included analysis of savings proposals against each of the Council's 10 priorities.

Dimension 2: Service Delivery Arrangements

The local code should reflect the requirements to:

(d) put in place arrangements to allocate resources according to priorities

Evidence of compliance/non-compliance:

The Council's 2004/05 budget setting report to M&C and Council in February 2004 included a section that described the resource allocation process for allocating revenue growth in line with the Community Strategy and the Council's 10 priorities. Additionally a similar process was followed for allocating capital resources for the 3 year capital programme.

For the 2005/06 budget savings process (reports to M&C in June and October 2004) the reports included analysis of savings proposals against each of the Council's 10 priorities.

Dimension 2: Service Delivery Arrangements

The local code should reflect the requirements to:

(e) foster effective relationships and partnerships with other public sector agencies and the private and voluntary sectors, and consider outsourcing where it is efficient and effective to do so, in delivering services to meet the needs of the local community, and put in place processes to ensure that they operate effectively in practice

Evidence of compliance/non-compliance:

The Council has an officer board, the Investment, Contracts and Partnership Board, that meets bi-monthly and has terms of reference that include:-

- Review major commissioning strategies and partnership arrangements
- Consider areas that may benefit from outsourcing including consideration under Best Value Reviews
- Explore potential for shared service delivery and cost management with public sector partners.

The Mayor chairs the Local Strategic Partnership which consists of representatives of :

Lewisham Council
City Bank
Goldsmiths' College
Jobcentre Plus
Lewisham Chamber of Commerce
Lewisham College
Lewisham Community Network
Lewisham Housing Association Group
Lewisham Primary Care Trust
London East Learning & Skills Council
Metropolitan Police
University Hospital Lewisham

Black & Minority Ethnic Community.

The working of the Local Strategic Partnership was subject to review by the Council's Quality of Public Services Select Committee in November 2004.

Dimension 2: Service Delivery Arrangements

The local code should reflect the requirements to:

(f) respond positively to the findings and recommendations of external auditors and statutory inspectors and put in place arrangements for the effective implementation of agreed actions.

Evidence of compliance/non-compliance:

SSI Inspection of Children's Services

In January 2004 an inspection of the Council's delivery of social care services to children and families took place. A presentation of the findings of the inspection, together with priorities for improvement, was made to the Mayor and Cabinet on 23 June 2004 by representatives from the Commission for Social Care Inspection (CSCI).

At this meeting the Mayor and Cabinet presented the Council's response to the inspection report in the form of an Action Plan; and noted the process for monitoring its implementation and the progress already made to implement the Plan's recommendations.

The Mayor and Cabinet will consider the Annual Performance Review Report from the CSCI at their meeting on 1 December 2004.

Corporate Performance Plan 2004/05

Under Statutory Instrument 10/1999 each local authority is required to publish an annual Best Value Performance Plan. ODPM Circular 02/2004 allows good excellent CPA authorities to publish a joint Corporate Strategy and Best Value Performance Plan. This Plan incorporated the Community Strategy and Corporate Priorities and contributes to the overall Council policy framework.

The Council on 16 June 2004 agreed the Corporate Performance Plan.

District Auditor's Management Letter 2002/2003

The Management letter was considered by the Public Accounts Select Committee on 26 February 2004.

The letter included the following comments:-

(i) 2003 Assessment of Continuous Improvement Arrangements

Lewisham has made some improvements to a number of services and has continued to focus on issues identified as being important by the community. Based on the Council's plans, it has the potential to improve the way it works and the services it provides for local people.

(ii) Best Value Performance Plan for 2003/04

Lewisham has prepared and published its Best Value Performance Plan in all significant respects in accordance with Section 6 of the Local Government Act 1999 and statutory guidance issued by the Government.

Comprehensive Performance Assessment

The Council was given a GOOD rating under the Comprehensive Performance Assessment by the Audit Commission in December 2002 and this position was maintained in 2003. Since December 2003 the Council has made further progress in achieving improvements in priority areas.

OFSTED - Office for Standard in Education

OFSTED's report highlighted the effectiveness of the Council's work, its high ambition, imagination and preparedness to try new ways of delivering services. OFSTED noted the Council has many significant strengths in delivering education and that it is on course to make its high ambition for children and young people a reality. The Council's education services were classed as 'good' and its capacity to improve further was given the top grade 'very good'.

Following receipt of the report the Council prepared a written statement of the action which it proposes to take in light of the report, and the period within which the Council proposes to take it.

On 9 June 2004 the Mayor and Cabinet agreed the Action Plan and authorised officers to forward it to OFSTED within the prescribed timescale.

Dimension 3 Structures and Processes

The local code should reflect the requirements to:

(a) put in place clearly documented protocols governing relationships between members and officers

Evidence of compliance/non-compliance:

The Council's Constitution has the Member Code of Conduct appended to it. The code includes a number of protocols. One of these is that relating to Member/Officer Relations (P219). Training on this Code has been given to all Members of the authority by the Head of Law. It is on the Council's website.

The Council's employee code of conduct, which appears in the Personnel Guide, also deals with this issue, see Page 8-D-1 to 8-D-3.

There is currently a new statutory Employee Code of Conduct out for consultation.

The Head of Law ran several training sessions for officers in September 2004 on the existing and proposed codes. When the new code is introduced by statutory instrument, Lewisham intends to introduce a new protocol to reflect that in the Member code relating to Member/Officer relations.

Dimension 3 Structures and Processes

The local code should reflect the requirements to:

(b) ensure that the relative roles and responsibilities of executive and other members, members generally and senior officers are clearly defined

Evidence of compliance/non-compliance:

The Council's Constitution sets out the roles and responsibilities of Members, both generally and particularly (the Mayor, Chair of Council, the Council as a whole, the Executive, Overview and Scrutiny committees, Standards Committees, etc.) - at Article 1 and in more detail throughout the Constitution.

The roles of the Council's senior statutory officers (Head of Paid Service, Chief Finance Officer, Monitoring Officer, Chief Education Officer and Director of Social Services) are also set out there.

All employees have detailed job descriptions.

Dimension 3 Structures and Processes

The local code should reflect the requirements to:

(c) ensure that members meet on a formal basis regularly to set the strategic direction of the authority and to monitor service delivery

Evidence of compliance/non-compliance:

In the last year the Council has met on six occasions. It decides on the policy framework and budget.

The Mayor and Cabinet meet regularly on a three week cycle to discuss the strategic direction of the Council.

Service delivery is monitored through the Council's six select committees which have a regular programme of meetings which are held usually once a month but with additional meetings as necessary.

See also the responses on the Council's performance management framework at Dimension 2.

Dimension 3 Structures and Processes

The local code should reflect the requirements to:

(d) develop and maintain a scheme of delegated or reserved powers, which should include a formal schedule of those matters specifically reserved for the collective decision of the authority

Evidence of compliance/non-compliance:

The Council Scheme of Delegation and the Mayoral Scheme of Delegation are appended to the Constitution at Part VIII. They are reviewed regularly. The Council has a Constitution Working Party which keeps the constitutional arrangements of the authority under review and makes proposals to full Council for any amendment to the Council's scheme of delegation, e.g., to create a committee structure to deal with matters under the Licensing Act 2003.

Dimension 3 Structures and Processes

The local code should reflect the requirements to:

(e) put in place clearly documented and understood management processes for policy development, implementation and review and for decision making, monitoring and control and reporting; and formal procedural and financial regulations to govern the conduct of the authority's business

Evidence of compliance/non-compliance:

The Council's Constitution include Financial Procedure Rules at P.186 . The entirety of Part IV of the Constitution is concerned with the procedural regulations applying to the conduct of Council business.

The process for policy development is specifically dealt with in the Constitution, at P.128 et seq.

Decisions are publicised within two days of being made. All Executive decisions are considered by the Council's Business Panel at a meeting which may exercise the right of call-in and ask the decision maker to reconsider.

Overview and scrutiny select committees may scrutinise any matter within their remit and ask members of the Mayor and Cabinet and senior officers to give account for their actions.

Any member of an overview and scrutiny committee may place an item on its agenda.

Dimension 3 Structures and Processes

The local code should reflect the requirements to:

(f) put in place arrangements to ensure that members are properly trained for their roles and have access to all relevant information, advice and resource as necessary to enable them to carry out their roles effectively

Evidence of compliance/non-compliance:

2002/03

Following the local elections in May 2002, members were given the opportunity to receive training in the following:

Phase 1: A Welcome Evening, self-assessment, tour of the borough

Phase 2: (Core Programme):

- Finance for Councillors
- Planning in the Lewisham Context
- Ethics and Probity
- Members Casework System

2003/04

During 2003/04, a core programme for members underwent further development and costing to include:

- Overview and Scrutiny Development Skills for Members
- Finance for Councillors, part 2 (advanced)
- Health Scrutiny (for Social Care and Health Select Committee members)
- Visits to the House of Commons Select Committee
- The Role of Equality Impact Assessments in Scrutiny
- Investors in People

Members were also surveyed on individual training and capacity development needs beyond the core programme.

All members of the current Cabinet underwent a Media Training course in April/May 2004.

In addition there is an annual budget for members to attend individual training courses as appropriate. Attached is a list of training undertaken by individual members during 2003/04.

Member training and capacity development issues are being revisited currently, the aim being to bring the current programme up to date to fully reflect the role of members in the modernising local government agenda.

Member Development Chart [insert here]

Dimension 3 Structures and Processes

The local code should reflect the requirements to:

(g) ensure that the role of the executive member(s) is/are formally defined in writing, to include responsibility for providing effective strategic leadership to the authority and for ensuring that the authority successfully discharges its overall responsibilities for the activities of the organisation as a whole

Evidence of compliance/non-compliance:

Article 7 of the Constitution defines the role of the Mayor as follows:

The Mayor will carry out the following roles:

- a) to be the Council's principal spokesperson
- b) to give overall political direction to the Council
- c) to appoint (and dismiss) the Executive
- d) to decide on a schedule of delegation of executive functions
- e) to chair meetings of the Executive
- f) to represent the Council on external bodies that deal with Executive functions.

* Members may want to consider amending that statement to reflect the CIPFA/SOLACE guidance more closely, as shown at (g) above.

Dimension 3 Structures and Processes

The local code should reflect the requirements to:

(h) ensure that the roles and responsibilities of all members of the local authority, together with the terms of their remuneration and its review, are defined clearly in writing

Evidence of compliance/non-compliance:

The Council publicises its Members Allowance Scheme each year in a newspaper. Additionally, it is attached to the Constitution at Part VI.

The Articles in the Constitution and the Summary of the Constitution set out Members' roles. Both documents are on the Council's web site.

Dimension 3 Structures and Processes

The local code should reflect the requirements to:

(i) ensure that a chief executive or equivalent is made responsible to the authority for all aspects of operational management

Evidence of compliance/non-compliance:

Yes.

See Article 14 of the Constitution P.61 – which sets out the functions of the Head of Paid Service who is also the Council's Chief Executive.

This is reflected in the Chief Executive's job description.

Dimension 3 Structures and Processes

The local code should reflect the requirements to:

(j) ensure that a senior officer is made responsible to the authority for ensuring that appropriate advice is given to it on all financial matters, for keeping proper financial records and accounts and for maintaining an effective system of internal financial control

Evidence of compliance/non-compliance:

Yes.

See Article 14 of the Constitution – P.61 et seq.

These duties are reflected in the job description of the Deputy Chief Executive.

Dimension 3 Structures and Processes

The local code should reflect the requirements to:

(k) ensure that a senior officer is made responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes, regulations and other relevant statements of good practice are complied with

Evidence of compliance/non-compliance:

Yes.

See Article 14 of the Council's Constitution P.61 et seq.

These duties are reflected in the job description of the Head of Law.

Dimension 3 Structures and Processes

The local code should reflect the requirements to:

(l) ensure that the roles and responsibilities of all senior officers, together with the terms of their remuneration and its review, are defined clearly in writing

Evidence of compliance/non-compliance:

Each senior officer is provided with a contract of employment which clearly sets out the terms and conditions of their employment including the job role, remuneration and its review. A copy of this contract, duly signed by the employee concerned, is retained on the personal file.

Salaries are updated annually in line with increases in pay agreed nationally and such changes are clearly documented in payroll records and/or personal files as appropriate. Any other changes in pay made outside the annual pay award are also clearly documented and retained on payroll records/personal files.

In addition, pay information is analysed corporately on a quarterly basis and is monitored and reviewed both within directorates and corporately by the Council's Executive Management Team.

Each senior officer has a job description and person specification, which clearly defines the roles and responsibilities of their post. These documents form part of the contract of employment a copy of which is contained on the personal file.

Job roles and responsibilities are periodically reviewed if necessary in consultation with the employee to meet evolving service delivery needs. Any resulting changes in job descriptions/grading/pay are clearly documented with copies placed on the personal file.

Dimension 3 Structures and Processes

The local code should reflect the requirements to:

(m) adopt clear protocols and codes of conduct to ensure that the implications for supporting community political leadership for the whole council are acknowledge and resolved

Evidence of compliance/non-compliance:

See response relating to Codes of Conduct at Dimension 5.

Dimension 4: Risk Management and Internal Control

The local code should reflect the requirements to:

(a) develop and maintain robust systems for identifying and evaluating all significant risks which involve the proactive participation of all those associated with planning and delivering services.

Evidence of compliance/non-compliance:

The Council's risk management strategy and policy statement were reviewed during 2003 in light of new guidance published on managing risk in public bodies. The strategy details the roles and responsibilities that both members and officers have in the management of risk and the processes followed to both identify, analyse and monitor risk.

Specifically, Directorate Management Teams ensure risk assessments are undertaken and reviewed in accordance with the prescribed timeframe and produce directorate risk profiles which inform the corporate risk profile.

Some slippage against the reporting framework has occurred and, most notably, Mayor, Cabinet and Member involvement has not been formalised but this will be addressed in the coming year. In addition to the annual report to Mayor & Cabinet detailed in the strategy, risk management will be reported regularly in the quarterly Corporate Management Report presented to the Mayor's Board.

Dimension 4: Risk Management and Internal Control

The local code should reflect the requirements to:

(b) put in place effective risk management systems, including systems of internal control and an internal audit function. These arrangements need to ensure compliance with all applicable statutes, regulations and relevant statements of best practice and need to ensure that public funds are properly safeguarded and are used economically, efficiently and effectively and in accordance with the statutory and other authorities that govern their use

d) put in place effective arrangements for an objective review of risk management and internal control, including internal audit

Evidence of compliance/non-compliance:

b) Put in place effective risk management systems, including systems of internal control and an internal audit function.

d) Put in place effective arrangements for an objective review of risk management and internal control including internal audit.

Key risks incorporated in the Corporate risk register are subject to quarterly review by the Internal Control Board which was established early in 2004. The Internal Control Board is chaired by an independent 'non executive' person and comprises the Executive Management Team, Head of Law, Head of Strategic Resources & Support, Head of Corporate Finance & Property, and the Group Manager for Insurance and Risk.

The Council's risk management arrangements are subject to independent review by the Audit Commission as part the annual review, and as part of their work in refreshing our Comprehensive Performance Assessment. An Internal Audit of Lewisham's risk management arrangements was undertaken in September 2003 and an action plan was agreed and progress is monitored. Risk

management will be subject to further internal audit review in December 2004.

The Council's Audit & Monitoring Group comprises Audit Services (the internal audit function) and the Anti-Fraud & Corruption Team (which investigates allegations of fraud, corruption and other irregularities). The performance of these functions is reviewed annually by the Audit Commission.

Audit Services operates a quality assurance regime that is accredited to BSI standard ISO 9000:2000. The team adheres to internal audit best practice guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Institute of Internal Auditing (IIA-UK), and operates risk-based and systems-based auditing. Audit Services undertake planned audits to an annual audit plan, which is itself drawn from a 3 year strategic audit plan which seeks to cover the entire range of the authority's functions over the 3 years. The 3 year plan is drawn from the corporate and directorate risk registers and seeks to target internal audit resources at those areas where risks are perceived to be greatest.

The Audit Commission, in its Annual Audit Letter 2002/03, issued in April 2004, stated in its review of Systems of Internal Financial Control - "Overall, we concluded that reliance could be placed on the Council's systems of internal financial control, including the work of Internal Audit. Our overall conclusion is that sound arrangements are in place that include:

- Key controls are monitored and corrective action is taken where necessary
- Internal Audit review all high risk financial systems each year and medium risk financial systems on a cyclical basis
- Internal Audit's annual plan takes account of the financial and operational risks facing the Council
- There is a risk management working group with representatives from all Directorates and a risk register is being put in place.

Dimension 4: Risk Management and Internal Control

The local code should reflect the requirements to:

(c) ensure that services are delivered by trained and experienced people

Evidence of compliance/non-compliance:

Recruitment and Selection to posts

This includes detailed person specifications and job descriptions which clearly define the role of the job and the knowledge skills and experience required. Employees are only appointed where they are able to clearly demonstrate that they meet the specific requirements which have been identified. Where necessary as part of the recruitment process individuals are tested to ensure that they do have the necessary skills, knowledge and experience required to do the job.

Where appropriate professional qualifications are required, proof of such qualifications must be shown before a new employee can start work.

Lewisham has developed a number of competencies which are included on the person specifications and are also tested at interview. These include technical as well as specific management and leadership core competencies .

A comprehensive induction programme has been designed and delivered for all new members of staff . This includes the opportunity for them to meet the Mayor where he explains what he sees as the role of new employees and the expectations that the Council has of them.

Managers of new staff are responsible for ensuring that a thorough work based induction is carried out determining areas of individuals strengths as well as any weaknesses.

Managers are also expected to complete a thorough probation review identifying any other areas of weakness and identifying and delivering on any training /development that is required. Once the six month probation has been successfully completed managers are required to have regular Performance Evaluation (PES) meetings with staff directly linking to the business requirements of the service and identifying any particular training requirements.

The individual learning and development plans linked to PES are monitored by the specialist learning and development lead in the Directorate. Any generic learning and development is identified and sent through to the Personnel and Development Learning Unit .

The specialist learning and development leads in Directorates, e.g. : Social Care and Health ensure that any specialist training programmes meet specific legislative requirements or national standards such as CQSW.

Basic skills training has been identified and delivered for non office based staff including working with Lewisham College to deliver these tailor made programmes .

Tailored Leadership and Management Development programmes have been identified including the development of assessment centres .

A comprehensive package of “free” generic learning and development programmes approved by the Learning Board and commissioned and delivered by the Learning Unit includes :

- Customer Care
- Equalities and Diversity (links to the Council reaching level 5 of Equalities standard
- Health and Safety
- IT

Management Development including:

- core competency programme
- managing within the Organisation
- financial management

- managing People
- recruitment and selection
- Absence Management etc.

The Council has also developed a Front Line Academy which has identified Customer Service Standards which are the subject of a training package which is endorsed by the Customer Care Training programme.

Dimension 4: Risk Management and Internal Control

The local code should reflect the requirements to:

(e) maintain an objective and professional relationship with their external auditors and statutory inspectors

Evidence of compliance/non-compliance:

Audit Services has Managed Audit status, whereby the Audit Commission (the Council's external auditors) places reliance on the work of internal audit in forming their opinion. As part of the managed audit arrangements, Audit Services undertake reviews of both the final account process and the Council's fundamental systems. In 2004/05 Audit Services expanded its work on behalf of the Audit Commission to undertake auditing of those Best Value Performance Indicators deemed to be 'high risk'. Additionally Audit Services will, from 2005/06, be reviewing working papers in relation to certain grant claims prior to submission to the Audit Commission, to ensure they meet the Commission's requirements. Audit Services enjoy a positive and beneficial professional working relationship with the Audit Commission, as evidenced by the Audit Commission's continued and increasing reliance on the work of Audit Services.

Dimension 4: Risk Management and Internal Control

The local code should reflect the requirements to:

(f) publish on a timely basis, within the annual report, an objective, balanced and understandable statement and assessment of the authority's risk management and internal control mechanisms and their effectiveness in practice.

Evidence of compliance/non-compliance:

A Statement on the System of Internal Control was published with the Statement of Accounts on 15th September 2004 which identified, amongst other things, the internal control environment, a review of effectiveness and significant internal control issues. Proposals to address areas of perceived weakness are detailed and prioritised in the statement.

Audit Services produce a half-yearly and an annual report summarising its work, key findings and progress in completing the annual audit plan. The annual report for 2003/04 was presented to the Public Accounts Committee (acting in the capacity of an Audit Committee) on 2nd September 2004.

Dimension 5: Standards of Conduct

The local code should reflect the requirements to:

(a) develop and adopt formal codes of conduct defining the standards of personal behaviour to which individual members, officers and agents of the authority are required to subscribe and put in place appropriate systems and processes to ensure that they are complied with

Evidence of compliance/non-compliance:

The Council has adopted a Member Code of Conduct which complies with the statutory requirements set out in Part III LGA 2000.

The Council has adopted an Employee Code of Conduct which appears in its Personnel Guide. When the new Code of Conduct for Employees (on which the Government is currently consulting) is introduced by statutory instrument, guidance and protocols under it are to be issued.

The Codes of Conduct are on the Council's web site and there is both a corporate complaints system as well as a whistle blowing procedure in place.

The Council's Standards Committee reviews the operation of the Member Code of Conduct and the above procedures.

Dimension 5: Standards of Conduct

The local code should reflect the requirements to:

(b) put in place arrangements to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice

Evidence of compliance/non-compliance:

These matters are dealt with in the appropriate codes of conduct – e.g. Planning Protocol attached to the Member Code of Conduct.

Guidance has been given by the Monitoring Officer to members and officers, who have raised such issues with her periodically.

These matters formed part of the member and officer training provided by the Monitoring Officer this year.

Recent guidance on this matter issued by the Standards Board in mid 2004 was circulated to all Members of the Council by the Monitoring Officer.

Dimension 5: Standards of Conduct

The local code should reflect the requirements to:

(c) put in place arrangements to ensure that their procedures and operations are designed in conformity with appropriate ethical standards and to monitor their continuing compliance in practice

Evidence of compliance/non-compliance:

The Constitution and the decision making process have been designed to reflect the highest standards of ethical conduct,

e.g.: - decisions are taken at meetings open to the public
- on the basis of written reports
- in the presence of statutory officers or their representatives.

The Mayor has delegated decisions relating to Contracts and Grants to the Executive as a whole, so that such decisions are not taken by him alone.

The Constitution is reviewed regularly (at least annually) by the Constitution Working Party and Council.

* Evidence of formal compliance might be further developed to ensure procedures are adhered to.

Dimension 5: Standards of Conduct

The local code should reflect the requirements to:

(d) put in place arrangements for whistle blowing to which staff and all those contracting with the Council have access

Evidence of compliance/non-compliance:

The Council has a whistle blowing procedure which was introduced in 1998, reviewed in 2001, 2002 and again in 2004.

It is on the Council's web site and has been publicised in *Lewisham Life* and *Managers Briefing*.

It is reviewed regularly by the Standards Committee (see 11.11.04 for example).