
Ethics Committee

15 July 2016

Name of Cabinet Member:

N/A- Ethics Committee

Director Approving Submission of the report:

Executive Director of Resources

Ward(s) affected:

None

Title: Review of Gifts and Hospitality Section of Employee Code of Conduct

Is this a key decision?

No

Executive Summary:

At its meeting on 24th March 2016, the Committee considered entries in the Register of Gifts and Hospitality for Officers for the previous six months. Members were advised that the forms and format of directorate registers were being revised with a view ultimately to making these available through SharePoint. The Committee had raised concerns that the section in the Employee Code of Conduct dealing with gifts and hospitality no longer reflected common business practice and the changing role of employees, particularly senior officers. It resolved that the Employee Code of Conduct should be reviewed.

A revised register for use by directorates has been produced together with a form for employees to complete when seeking consent to accept gifts or hospitality. These are attached as Appendix 1 and 2 to this report for the Committee to consider and approve.

The Employee Code of Conduct is a large document and to review it in its entirety would be a long process. However, it is felt that the gifts and hospitality elements of the Code should be reviewed at the earliest possible opportunity and so this report considers only that element of the Code. This will be incorporated into a wider review of the Code in due course.

An extract from the current Employee Code of Conduct dealing with gifts and hospitality is attached at Appendix 3. At Appendix 4 is a proposed replacement for the current guidance. This is based on gifts and hospitality guidance issued to staff by other local authorities, guidance from

the government on the Bribery Act 2010 and from the Institute of Business Ethics. It is an attempt to give clear guidance to employees while at the same time recognising that some officers have a legitimate need to network with outside organisations in order to promote the interests of the Council and the City of Coventry.

Recommendations:

The Ethics Committee is recommended to:

1. Approve the use of the revised Register of Gifts and Hospitality at Appendix 1 and Gifts and Hospitality form at Appendix 2 for use by employees; and
2. consider the revised sections of the Employee Code of Conduct on gifts and hospitality, and subject to any changes, authorise officers to consult with appropriate officers and organisations

List of Appendices included:

Appendix 1: Revised Register of Officer Gifts and Hospitality

Appendix 2: Revised form for declaration of gifts and hospitality

Appendix 3: Extract from Code of Conduct for Employees: Gifts and Hospitality

Appendix 4: Proposed New Gifts and Hospitality Provisions of Employee Code of Conduct

Other useful background papers:

None

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No, not at this stage

Report title: Review of Gifts and Hospitality Section of Employee Code of Conduct

1. Context (or background)

- 1.1 The Committee's work programme includes an item to review entries on the registers of officer gifts and hospitality every six months.
- 1.2 At its meeting on 24th March 2016, the Committee considered entries in the Register of Gifts and Hospitality for Officers for the previous six months. Members were advised that the forms and format of directorate registers were being revised with a view ultimately to making these available through SharePoint, if possible. The Committee had raised concerns that the section in the Employee Code of Conduct dealing with gifts and hospitality no longer reflected common business practice and the changing role of employees, particularly senior officers. It resolved that the Employee Code of Conduct should be reviewed.
- 1.3 Officers have reviewed and revised the Register of Gifts and Hospitality and the form for declaration of receipt of gifts and hospitality and these are now included as Appendix 1 and 2 to this report for approval by the Committee.
- 1.4 The Employee Code of Conduct is a large document and to review it in its entirety would be a long process and to wait until after it had been reviewed in its entirety would significantly delay the implementation of any changes to the section on gifts and hospitality. However, given the Committee's concern that the current gifts and hospitality section does not reflect or take account of changes the way in which the Council does business and works with its partners, both commercial and other public sector bodies, it is appropriate that the gifts and hospitality elements of the Code should be reviewed at the earliest possible opportunity. This report therefore considers only those elements of the Code. This will be incorporated into the wider review of the Code in due course.

2. Options considered and recommended proposal

- 2.1 The rules relating to hospitality were introduced at a time when the roles of the public and private sector were more clearly delineated and it was rarely appropriate for Officers to accept particular kinds of hospitality such as sporting/music events as part of their role with the Council.
- 2.2 However, the nature of local authority business has changed over recent years. Councils are required to operate more commercially, and in a far greater range of partnerships other sectors. Increasingly, the Council is becoming an enabler rather than a provider of services, which means a different kind of relationship with partners. This may involve networking in a way that acceptance of hospitality not currently permitted under the existing Code, may in certain circumstances be appropriate and necessary. Failure to accept hospitality may result in disadvantage to the Council, particularly where other local authorities, public bodies and stakeholders are represented. Refusing hospitality can also in some circumstances damage relationships with partners.
- 2.3 This review seeks to update the Code to reflect modern business practices/need but to still ensure that hospitality is not accepted if it is intended to corrupt or influence Officers/the Council or could be perceived as intended to corrupt or influence.

- 2.4 The Council's current guidance on gifts and hospitality is set out in Appendix 1 to this report.
- 2.5 Appendix 2 sets out a revised version of the section of the Employees Code of Conduct on gifts and hospitality. This has been expanded to include more information about the general principles and policy underlying the guidance. In particular paragraph 13.1.5 acknowledges that some officers, as part of their duties and responsibilities will need to represent the Council at occasions such as community events and functions, meetings and visits with outside bodies, negotiations and meetings with contractors and business partners and conferences and courses. As gifts or hospitality may be offered on such occasions, employees are required to establish the purpose of the event and identify an outcome or benefit to the Council of attendance.
- 2.6 There is also a short reference to the Local Government Act 1972 and Bribery Act 2010 and the consequences of breach of their provisions.
- 2.7 The section on Gifts is largely unchanged from the current version except that the requirement to obtain a manager's approval for, and to register receipt of, minor business gifts such as mugs, pens, mouse mats and other stationery, is removed. This is because such gifts are commonplace and provided they are used in the office environment, there is no reason why they should have to be registered. All other gifts must be registered and no gift valued at over £25 can be accepted.
- 2.8 With regard to Hospitality, the revised provisions allow attendance at purely social or sporting functions where these are part of the life of the community or where the Council should be seen to be represented. Prior authorisation is required and the reasons as to why it is appropriate to accept the hospitality recorded on the register. Under the current Code, attendance at sporting functions is not permitted. More lavish events will normally not be permitted unless there are discernible benefits to the Council and prior approval is obtained. Incidental hospitality, such as light refreshments, provided in connection with a visit, conference, meeting or promotional exercise need not be registered.

3. Results of consultation undertaken

If Ethics Committee approves the proposed amendments these would be the subject of further consultation with the Trade Unions. Any amendments to the Code of Conduct will also need to be approved by full Council.

4. Timetable for implementing this decision

- 4.1 Not applicable.

5. Comments from Executive Director of Resources

5.1 Financial implications

There are no specific financial implications arising from the recommendations within this report.

5.2 Legal implications

There are no specific legal implications arising from this report. However, reviewing the guidance given to employees on gifts and hospitality will help to demonstrate that the Council continues to monitor and review ethical standards within the Council.

6. Other implications

None

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

Not applicable.

6.2 How is risk being managed?

Reviewing guidance on gifts and hospitality received by employees will help to reduce the risk of acceptance of inappropriate gifts or hospitality and ensure that the Council's policy is fit for purpose.

6.3 What is the impact on the organisation?

Keeping matters such as this under review will help to promote high standards amongst elected members and employees in accordance with the Localism Act.

6.4 Equalities / EIA

There are no public sector equality duties which are of relevance.

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

None at this stage

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Councillor Walsh	Chair Ethics Committee			

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Appendix 2: Form for Officer Declarations

Declaration of Officer Gifts and Hospitality

Name of Officer and job title	
Date on which gift or hospitality was offered	
Details of gift or hospitality	
What is the actual or estimated value of the gift or hospitality?	
Who offered the gift or hospitality?	
What is the justification for accepting the gift or hospitality? For example, what is the business reason for acceptance and how will it promote the Council's interests?	
Are you , or do you expect to be involved in determining any application by or tender received from the donor now or in the near future?	
Will acceptance of the gift or hospitality create any conflicts, perceived or actual, in the future?	
Signature of officer and date:	
Approved / Not Approved by manager	Name and job title: Date:

APPENDIX 3

Extract from Code of Conduct for Employees

13. Gifts and Hospitality and Sponsorship

13.1 Gifts

13.1.1 The City Council expects the conduct of all of its employees to be of the highest standard. Employees' actions must not be influenced by offers of gifts or hospitality and their actions must not give the impression that they are influenced in this way. Acceptance of any gift should be the exception. The City Council recognises that there are some items, of token value, which may be accepted.

13.1.2 You must not accept personal gifts of any kind, unless they are modest and are of token value (less than £25). Items such as coffee mugs, diaries, calendars or other promotional materials can be retained if your Manager agrees. However, these gifts must be recorded in the relevant hospitality register unless your Manager tells you otherwise. If your Manager does not allow you to accept any small gifts, you must return them politely, but firmly, telling the person who gave it why and recording it in the Hospitality Register.

13.1.3 Without causing offence, you should discourage service users or other organisations from offering gifts. However, where small gifts, such as chocolates, are given as thanks for a service provided, then these can be accepted if they are shared within the Team or raffled for charity. No gift of alcohol or tobacco should ever be accepted.

13.1.4 If gifts have a higher value than £25, then you should tactfully refuse them. If gifts of this value are delivered, they should be returned with an appropriate explanation. If gifts cannot be returned, then the Assistant Director, or his nominee, should dispose of them to charity and record this fact in the Hospitality Register.

13.1.5 Under no circumstances, should gifts of cash, or tokens or vouchers of a monetary value, be accepted.

13.2 Hospitality

13.2.1 In relation to the acceptance of hospitality, special care should be taken so as to ensure there can be no suggestion that an employee was influenced by such hospitality.

13.2.2 You should never accept a gift of hospitality from anyone who is, or may be in the foreseeable future, tendering for any contract with the Council, seeking employment with the Council, seeking any form of consent of grant, or is in dispute with the Council. You should always decline any gift or hospitality if you think the giver has an ulterior motive. You should always be sensitive to the possibility that the giver may think even small gifts or simple hospitality may elicit a better service or preferential treatment in their dealings with the Council.

13.2.3 The definition of "hospitality" includes drinks, meals, entertainment, sporting events, overnight accommodation, travel and holidays.

- 13.2.4 The following standards apply to hospitality:-
- (a) If you are offered hospitality, you should tell your Manager immediately and record the offer in the Directorate Hospitality Register, whether it is accepted or not. If you refuse the hospitality, it must be recorded in the Register.
 - (b) You should never accept hospitality unless you genuinely need to give or receive information or to represent the City Council in your work.
 - (c) Your Manager must agree, beforehand, wherever possible.
 - (d) You should never accept any hospitality if it is meant to corrupt or influence, or could be seen to corrupt or influence or as being against the City Council's interests.
 - (e) The timing of hospitality is an important factor. For example, hospitality should never be accepted from a contractor who is about to put in a tender for City Council work.
- 13.2.5 You may accept incidental hospitality, such as light refreshments, working lunch or other meals which is part of a visit, conference, meeting or promotional exercise.
- 13.2.6 Invitations to social events offered as part of normal working life, such as opening celebrations, annual dinners, may be accepted if authorised in advance by the appropriate Assistant Director.
- 13.2.7 Invitations to other types of hospitality which are not directly linked to the City Council's functions, such as attendance at sporting events, theatrical or musical performances, "corporate days", paid holidays or concessionary travel rates, should not be accepted.
- 13.2.8 Where visits are required to inspect equipment, sites etc, you must ensure that the City Council meets all the costs of such visits to avoid jeopardising the integrity of any subsequent purchasing decision. Where anything other than incidental hospitality is offered by an existing contractor, or by an organisation likely to be involved in a contract, the hospitality should be refused. You should avoid socialising with organisations and should pay your own bills for meals, travel etc, (claiming any expenditure back under the Council's procedures for reimbursement as appropriate).
- 13.2.9 Similar rules apply to those instances where employees are offering hospitality on behalf of the City Council. The following guidelines must be observed on all occasions. For the purpose of these guidelines "hospitality" excludes the normal tea, coffee and other refreshments provided at meetings:-
- (a) any hospitality must be provided on a modest scale.
 - (b) so far as is practicable, hospitality must be provided in the workplace.
 - (c) soft drinks only must be provided in the workplace, alcoholic drinks must not be available.
 - (d) if it is necessary to provide hospitality outside the workplace, this must be on a model scale appropriate to the occasion. The cost must not be excessive.
 - (e) the number of employees involved on any occasion when hospitality is provided must be restricted, and in any event, must not extend beyond those directly involved with the matter in hand.

- (f) the provision of all hospitality must be personally approved by your Manager, and an Assistant Director, Deputy Director or Director.
- (g) bills for hospitality provided must be certified for payment by your Manager, and an Assistant Director, Deputy Director or Director.
- (h) each service will maintain in their hospitality register, a record of all occasions on which hospitality has been provided, the number of persons involved, and the costs incurred.

APPENDIX 4

Proposed Section on Gifts and Hospitality

13. Gifts and Hospitality and Sponsorship

13.1 General Principles and Policy Statement

13.1.1 Coventry City Council is funded almost entirely from public funds, either through grants from central government, or through council tax and it is essential that the Council can demonstrate the highest standards of probity in general, and specifically in relation to its dealings with third parties.

13.1.2 The Council is committed to the highest standards of ethical conduct and integrity in its business activities. In particular it expects its elected members and employees to comply with the Seven Principles of Public Life, namely selflessness, integrity, objectivity, accountability, openness, honesty and leadership. This policy builds on those principles and sets out the Council's position if situations arise where employees or managers are offered gifts and hospitality in connection with their employment.

13.1.3 The aim of the policy is to ensure transparency in the activities of the Council and consequently protect employees from accusations of misconduct. All employees are required to familiarise themselves and comply with this procedure, including any future updates that may be issued from time to time by the Council.

13.1.4 Acceptance of gifts or hospitality by employees could be construed by others as influencing decisions made by those employees. The basic principle of this policy is that you should not behave in a way that might give the impression that a gift or hospitality could influence your decision. It is not enough for you to be satisfied that you would not in fact be influenced, or that it was not the intention of the person offering the gift or hospitality to influence you. You should consider whether a member of the public with all the relevant facts would think that the gift or hospitality could influence your decision.

13.1.5 The following general rules should apply:

- Always refuse where you think there may be an ulterior motive;
- Be sensitive to the possibility that the giver may consider that even small gifts or modest hospitality will elicit prompt service or preferential treatment;
- Never accept gifts or hospitality from anyone who is tendering for a contract with the Council, seeking planning consent from the Council or who is in conflict with the Council, where you are directly involved in the process and/or may be seen to have influence over the process. The Chief Executive or his nominee may accept hospitality in these circumstances where they are not directly involved in the matter at issue and provided there is a clear business case for acceptance.

13.1.6 Offers of hospitality and/or gifts should normally be declined. However, it is acknowledged that some employees may, as part of their duties and responsibilities, be called upon to represent the Council for example at:

- functions within the community;

- meetings/visits with outside bodies;
- meetings/negotiations with contractors or business partners;
- conferences/courses

where hospitality and gifts may be offered. Before attending any of the above, you should establish the purpose of the event, be able to justify your attendance and identify an outcome/benefit to the Council. Further guidance on when acceptance of gifts and/or hospitality may or may not be appropriate is set out below.

13.2 Bribery and Corruption

13.2.1 The Local Government Act 1972 makes it an offence for employees to accept any fee or reward (including gifts) for their employment other than proper pay. On conviction employees are liable to be fined.

13.2.2 There is a responsibility, organisationally and individually, to adhere to the provisions of the Bribery Act 2010. Where there are significant breaches of the Act, the penalties for the organisation, senior officers, employees or associated parties are severe, with up to ten years imprisonment for individuals or unlimited fines.

13.3 Gifts

13.3.1 In general, acceptance of any gift should be the exception. The City Council recognises, however, that there are some items, of token value, which may be accepted.

13.3.2 You must not accept personal gifts of any kind, unless they are modest and are of token value (less than £25). Items such as coffee mugs, diaries, calendars, pens or other promotional materials can be retained if they are in use in the office.

13.3.3 Without causing offence, you should discourage service users or other organisations from offering gifts. However, where small gifts, such as chocolates, are given as thanks for a service provided, then these can be accepted if:

- refusal would cause needless offence; and
- the giver is not seeking a business decision; and
- they are shared within the Team or raffled for charity.

No gift of alcohol or tobacco should ever be accepted. Where it is not possible to refuse a gift of alcohol without causing offence or it is difficult to return it, it should be donated to the Lord Mayor's charity or raffled for charity.

13.3.4 Gifts other than those described in 13.3.2 and 13.3.3 may only be accepted if they have a value of £25 or less and your manager agrees that it is appropriate to accept. These gifts must be recorded in the directorate register of gifts and hospitality, and potentially can be donated to the Lord Mayor's charity. If your Manager does not allow you to accept any small gifts, you must return them politely, but firmly, explaining why you cannot accept it. It is advisable that employees record the offer of a gift on the register, even if it is refused.

13.3.5 If gifts have a higher value than £25, then you should tactfully refuse them. If gifts of this value are delivered, they should be returned with an appropriate explanation. If gifts cannot be returned, then the Assistant Director, or his nominee, should donate them to charity and record this fact in the Hospitality Register.

13.3.6 Under no circumstances, should gifts of cash, or tokens or vouchers of a monetary value, be accepted.

13.4 Hospitality

- 13.4.1 The Council needs to maintain effective relationships with a wide range of partners. The giving and receiving of hospitality may form part of this activity.
- 13.4.2 You should only accept offers of hospitality if there is a genuine need to impart information or represent the Council. Offers to attend purely social or sporting functions should be accepted only when these are part of the life of the community or where the Council should be seen to be represented. Employees attending such functions must be authorised by their Executive Director and a record of that permission, details of the hospitality and reasons why it is appropriate to accept must be entered into the directorate register of gifts and hospitality.
- 13.4.3 However, in their role as a representative of the Council, it is not appropriate for employees, either during or outside working hours, to accept lavish entertainment (e.g. banquets, drinks parties, fashion shows, sporting events, dinner/drinks receptions at conferences and other events), except where there are discernible benefits to the Council and the appropriate Executive Director (or nominee) has given approval (which must be recorded in the register). Any such offers should be declined courteously but firmly. It is anticipated that accepting such hospitality will only be appropriate in limited circumstances and for a limited number of Senior Officers.
- 13.4.4. When hospitality is declined, the offer should be courteously but firmly refused and the organiser informed of the procedures and standards operating within the Council. It is advisable for any hospitality which has been declined to be recorded in the register of gifts and hospitality.
- 13.4.5 You must not accept hospitality that you would feel unable to report openly to a superior, a Cabinet Member or a Committee. If you feel acceptance would be open to misinterpretation in any way then the hospitality must be declined as tactfully as possible.
- 13.4.6 You must be alert to circumstances which might give rise to criticism, such as the forthcoming award of or tender for a contract or the determination of a planning application. Any offer of a gift or hospitality during a tender process must be reported to the Executive Director.
- 13.4.7 Where visits are required to inspect equipment, sites as part of a tender or application process etc., you must ensure that the City Council meets all the costs of such visits to avoid jeopardising the integrity of any subsequent purchasing decision. Where anything other than incidental hospitality is offered by an existing contractor, or by an organisation likely to be involved in a contract, the hospitality should be refused. You should avoid socialising with such organisations and should pay your own bills for meals, travel etc., (claiming any expenditure back under the Council's procedures for reimbursement as appropriate).
- 13.4.8 You may accept incidental hospitality, such as light refreshments, working lunch or other meals, which is part of a visit, conference, meeting or promotional exercise. There is no requirement to register receipt in these circumstances.
- 13.4.9 Invitations to social events offered as part of normal working life, such as opening celebrations, annual dinners, may be accepted if authorised in advance by the appropriate Assistant Director (or nominee). You are more likely to be able to accept hospitality of this sort where it is clear that it is corporate rather than personal. In addition acceptance of this type of hospitality is more likely to be justified in the case of senior

managers than more junior employees, where there is an expectation on the part of the Council that they network with current and potential partners. You must be very cautious about accepting hospitality where it is clear that it is being offered to you as an individual.

- 13.4.10 Where an employee is invited to speak at a conference, seminar or similar event, an offer to reimburse or cover travel and other reasonable out-of-pocket expenses by the organisers or sponsors of the event, may be accepted. This must be approved and entered onto the register.