

**NORTH LINCOLNSHIRE COUNCIL**

**CORPORATE SERVICES  
CABINET MEMBER**

**CODE OF PRACTICE FOR EMPLOYEES RELATING TO INTERESTS AND GIFTS  
AND HOSPITALITY**

**1. OBJECT AND KEY POINTS IN THIS REPORT**

- 1.1 To invite the Cabinet Member to consider a revised code of practice for employees in relation to interests and gifts and hospitality.

**2. BACKGROUND INFORMATION**

- 2.1 The government is currently consulting on a proposed national code of conduct for employees, alongside changes to the member code. At the time of the 2000 Act the government envisaged that the employee code would form part of the same New Ethical Framework as the member code and Standards Committees.
- 2.2 The national code for employees, when and if introduced, will change the requirements for registration of interests. However in the interim the provisions of the 1972 Local Government Act continue to apply. There are no statutory requirements in relation to gifts and hospitality. However there are provisions for local codes of practice contained in the "Green Book" national conditions of employment and in other national conditions of employment for senior officers, as well as in various professional codes. In addition the Audit Commission suggest that procedures be established specifically for the control of hospitality to officers. In 1994 a voluntary Code of Conduct for Local Government Employees was produced by the Local Government Management Board and the Local Authorities Association which included requirements in relation to interests and gifts and hospitality. The council's constitution provides that all officers should have regard to this code.
- 2.3 The provisions of the 1994 code were incorporated into a North Lincolnshire code relating to interests and gifts and hospitality which was last reviewed in 2004. The proposed amended version reflects organisational changes and current best practice. It forms part of council's governance arrangements demonstrating its commitment to promoting good governance in all its functions through the Local Code of Corporate Governance and Anti Fraud, Theft and Corruption Strategy.
- 2.4 In August 2005 the council adopted a local Code of Conduct for employees. This code has been incorporated into the terms and conditions of employment of all employees other than those in schools. It requires employees to "comply with council requirements in the registration of interests" and to

"declare hospitality, benefits or gifts received as a consequence of employment" .The code makes clear that any breach of it would also be a breach of the Code of Conduct and could lead to disciplinary action.

- 2.5 It is proposed to publicise the amended code extensively via the intranet, People magazine, corporate communications etc. It will also be sent to schools with a recommendation that they adopt it.

### 3. **OPTIONS FOR CONSIDERATION**

- 3.1 To approve the proposed code, with or without amendments.

- 3.2 To not approve the code.

### 4. **RESOURCE IMPLICATIONS (FINANCE, STAFFING, PROPERTY, IT)**

- 4.1 There may be some additional workload administering the application of the code if giving it publicity attracts more declarations. There could be implications for Legal and Democratic Services and Human Resources in enforcing any breaches of the code that come to light.

### 5. **OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 –CRIME AND DISORDER, RISK AND OTHER)**

- 5.1 Adoption and implementation of the amended code will enable the council to comply with the requirements of the Audit Commission and its own constitution.

### 6. **OUTCOMES OF CONSULTATION**

- 6.1 The code has been considered by the Standards Committee which had no comments to make.

- 6.2 The trade unions have been consulted through the Corporate Consultative Group and no adverse comments have been received.

### 7. **RECOMMENDATIONS**

- 7.1 That the amended code attached as Appendix 1 to this report be approved and adopted.

- 7.2 That the code be publicised widely within the council.

- 7.3 That governing bodies of schools within North Lincolnshire be recommended to adopt the code.

SERVICE DIRECTOR LEGAL AND DEMOCRATIC

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**Background Papers used in the preparation of this report:** None





**CODE OF PRACTICE FOR EMPLOYEES RELATING  
TO INTERESTS AND GIFTS  
AND HOSPITALITY  
2009 (Revision)**

**M Wood  
Monitoring Officer**

## 1. INTRODUCTION TO THE CODE OF PRACTICE

### 1.1 Purpose of the Code

1.1.1 Employees are required by law to declare any pecuniary interests that they have in any contract or proposed contract entered into by the council.

1.1.2 From time to time, employees are also faced with the difficulty of deciding whether or not to accept 'gifts or hospitality' which arise during the course of business activities.

1.1.3 It is the purpose of the Code to provide employees of North Lincolnshire Council with a set of principles and procedures to guide them in such circumstances and thereby maintain both the actual and perceived integrity of the council in the way it conducts its affairs.

### 1.2 Scope of the Code

1.2.1 This code relates to the council's requirements in relation to interests and gifts and hospitality. The more general requirements in terms of employee conduct are contained in the local Code of Conduct which has been issued to all employees and now forms part of the terms and conditions of employment of all employees. In addition to this the Code also provides that a breach of this Code of Practice will constitute non – compliance for the purposes of that Code which may result in disciplinary action. The code will only apply to schools based staff if adopted by the relevant board of governors.

### 1.3 National Guidelines

1.3.1 Paragraph 2 of Part 2 of the "Green Book" states that:

"Employees will maintain conduct of the highest standard such that public confidence in their integrity is sustained.

Local codes of practice will be developed to cover the official conduct and the obligations of employees and employers.

Similar provisions are to be found in other conditions of service for Senior Officers and in professional Codes of Conduct.

1.3.2 A Code of Conduct for Local Government Employees, prepared in 1994 by the Local Government Management Board and the Local Authority Associations, lays down guidelines "which will help maintain and improve standards and protect employees from misunderstanding and criticism". The Code includes a section on hospitality and is intended to cover all employees under a contract of employment within local government. Activities carried out by employees acting as members of companies or voluntary organisations are likewise covered. The advice in the Code is incorporated in the ensuing paragraphs.

1.3.3 The Audit Commission suggests that procedures be established specifically for the control of hospitality to officers.

## 2. INTERESTS

### 2.1 Statutory Position

2.1.1 The Local Government Act 1972 S117 requires that "if it comes to the knowledge of an officer, employed under this Act or any other enactment that a contract in which he has a pecuniary interest, whether direct or indirect (not being a contract to which he is himself a party), has been, or is proposed to be entered into by the authority or any committee thereof he shall as soon as practicable give notice in writing to the authority of the fact that he is interested therein".

2.1.2 An employee would be regarded as having indirectly a pecuniary interest if "he or any nominee of his is a member of a company, or other body with which the contract was made or is proposed to be made" or "is a partner, or is in the employment of a person with whom the contract was made or is proposed to be made". "In the case of married persons living together the interest of one spouse shall if known to the other be deemed also an interest of the other". (S95 Local Government Act 1972)

### 2.2 Prejudicial Interest

2.2.1 A prejudicial interest is considered to be a matter which affects an employee's financial interest or relates to a licensing or regulatory matter in which he or she has an interest and where a member of the public, who knows the relevant facts, would reasonably think that his or her personal interest is so significant that it is likely to prejudice his or her judgement of the public interest.

### 2.3 Personal Interests

2.3.1 An employee must not allow their private interests or beliefs to conflict with their professional duty. They must not misuse their official position or information acquired in the course of their employment to further their private interests or the interests of others.

### 2.4 General

2.4.1 Employees should not privately and for other people undertake the preparation of plan documentation that is to be formally submitted to the council for approval, such as planning and building regulation applications.

## 3. GIFTS AND HOSPITALITY

3.1 Examples of the kind of gifts or hospitality which might be made include:

(i) Gifts

Stationery items such as pens, notepads, calculators, or carrier bags; food or confectionery, particularly chocolates and biscuits; flowers or plants, ornaments; wine and spirits; articles of clothing; jewellery or watches; tickets for cultural or sporting events; discounted rates for hire

or purchase; free publications; cash; and providing business where the employee concerned is engaged in some private business or commercial activity.

(ii) **Hospitality**

Free meals; drinks receptions; hospitality tents at shows; exhibitions or conferences; music and cultural events; sport and leisure events, particularly golf competitions; use of company facilities; hotel accommodation; and holidays.

- 3.2 In the case of gifts, it is possible to make a distinction between those gifts which would have a use or value to the council and those which are clearly intended for personal use.
- 3.3 All offers of gifts and hospitality must be refused where they are made under the following circumstances:
- (i) by commercial companies, charities or voluntary bodies or individuals in the process of dealing with the council over legal, statutory or enforcement matters; or
  - (ii) by commercial companies or businesses formally requesting to be added to the council's list of tenderers for approved works.
- 3.4 Offers of any of the following must be refused under all circumstances:
- (i) cash;
  - (ii) paid holidays; and
  - (iii) use of company flats or facilities.
- 3.5 Offers of gifts must be treated with extreme caution at all times and, whilst an offer of cash must automatically be refused, gifts with an estimated value of at least £25 should be tactfully refused if they are intended for exclusively personal or private use, such as jewellery or clothing.
- 3.6 Offers of gifts which could be of value to the council or to an officer, in the course of council business, such as calculators, ornaments or books, may be accepted. It should, however, be clear that the council would not wish to negotiate an agreement excluding acceptance of such items i.e., at a special discount. Also, unless otherwise agreed by the council, the item will pass into the ownership of the council.
- 3.7 Offers of hospitality made by individual members of the public must be refused at all times.
- 3.8 Offers of hospitality should usually be refused if the company making the offer is either not known to the person receiving the offer or had not given a clear reason why it is making the offer.

- 3.9 Offers of non-excluded gifts or hospitality made by other public bodies or local authorities, councillors and/or by professional or academic institutions may be accepted.
- 3.10 Offers to attend private, social or sporting functions should be accepted only when these are part of the life of the community or where the authority should be seen to be represented.
- 3.11 Acceptance by employees of hospitality through attendance at relevant conferences and courses is acceptable where it is clear the hospitality is corporate rather than personal, where the authority gives consent in advance and where the authority is satisfied that any purchasing decisions are not compromised.

Where visits to inspect equipment etc are required, employees should ensure that the authority meet the cost of such visits to avoid jeopardising the integrity of subsequent purchasing decisions.

- 3.13 When receiving authorised hospitality, employees should be particularly sensitive as to its timing in relation to decisions which the authority may be taking affecting those providing the hospitality.

#### **4. RECORDS AND PROCEDURES**

- 4.1 Employees wishing to declare an interest or the offer of gifts or hospitality should complete a form provided by the Service Director Legal and Democratic. The form should be returned to the Service Director at Pittwood House, Scunthorpe.
- 4.2 The form for declaring gifts and hospitality will specify the source of the offer; whether it was accepted; the approximate value; and, if accepted, the reasons. It will not be necessary to record "modest" offers of gifts. "Modest" items/mementoes are considered to be those valued at less than £25. They would, as a general rule, only be items of a promotional character e.g. calendars, diaries, articles for office use, or a token such as flowers presented during a courtesy visit. Likewise, it will not normally be considered necessary to record offers of hospitality made in the circumstances endorsed in paragraph 3.11 above.
- 4.3 The form declaring interests will specify the nature of the pecuniary interest.

#### **5. MANAGING THE CODE OF PRACTICE**

- 5.1 The Monitoring Officer is responsible for taking steps to make all employees aware of the Code of Practice and its content and the procedure for recording offers of gifts and hospitality and interests. He also ensures that a register of these is maintained.
- 5.2 The Monitoring Officer will ensure that all new recruits to the council are informed of these requirements, and will organise any briefing sessions as appropriate.

6. **MONITORING AND REVIEW**

- 6.1 Service Directors will be responsible for ensuring that any officer with a declared interest is removed from procurement or contractual dealings as appropriate.
- 6.2 The Code of Practice will be periodically reviewed by the Monitoring Officer. Any further clarification or interpretation of the Code that may be found necessary will be formally communicated to all employees. Any substantial amendments to the Code that are considered necessary will be formally reported to the council's Standards Committee for approval.

**NORTH LINCOLNSHIRE COUNCIL**

**DECLARATION OF OFFER/RECEIPT OF A GIFT  
OR HOSPITALITY (EMPLOYEE)**

1. OFFER OR GIFT/HOSPITALITY

<b>NATURE OF GIFT/ HOSPITALITY AND ESTIMATED VALUE</b>	<b>BY WHOM GIFT WAS OFFERED</b>	<b>DATE OF OFFER</b>

2. ACCEPTANCE OF GIFT/HOSPITALITY  
WAS THE GIFT/HOSPITALITY ACCEPTED? (Please tick appropriate box)

<b>YES</b>	<b>NO</b>

3. REASON FOR ACCEPTANCE

If the gift/hospitality was accepted, please give your reasons:

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Signed: \_\_\_\_\_ Date: \_\_\_\_\_

(BLOCK CAPITALS) \_\_\_\_\_ Received: \_\_\_\_\_

Please return to Steve Whittlemore (Regulatory Support Officer) in Room F17,  
Pittwood House

**NORTH LINCOLNSHIRE COUNCIL**

**DECLARATION OF INTEREST BY EMPLOYEE**

**Name of Employee** .....

**Post** .....

**Service** .....

**Workplace** .....

**Workplace Telephone** .....

**Does the interest relate to a specific contract or proposed contract with the council?**

\*Yes/ \*No

**What is the nature of the interest?** (Please include all information you think may be relevant)

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(\*Please delete as applicable)

**PLEASE RETURN THIS FORM TO STEVE WHITTEMORE, REGULATORY SUPPORT OFFICER, DEMOCRATIC SERVICES, ROOM F17, PITTWOOD HOUSE, SCUNTHORPE**

**If you require any assistance in completing this form please contact Steve on 01724 296232**