NHS
Yorkshire and the Humber

Policy on
Standards of Business Conduct

Receipt of Gifts and Hospitality

Oct 2007

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2.0	Amendment to section 4	Discussion at SHA Board on 4 July 2006	Jo Dally	13 July 2006
3.0	Inclusion of refs. To counter fraud Expansion of section on commercial sponsorship Inclusion of Nolan Principles in Code of Conduct	Internal Audit advice	Jo Dally	24 Sept 2007 22 Oct 2007 22 Oct 2007

RELATED POLICIES AND LEGISLATION

Policy Reference Number	Policy Title
-	Prevention of Corruption Acts 1906 and 1916
-	Medicines (Advertising) Regulations 1994

HSG(93)5	Standards of Business Conduct for NHS staff
Department of Health letter – November 2000	Commercial Sponsorship – Ethical Standards for the NHS
SO6 and SFI 19.2.6 d and SFI 26	The Authority's Standing Orders and Standing Financial Instructions
-	Ethical Code of the Institute of Purchasing and Supply
	SHA Fraud and Corruption Policy
	Code of Conduct for SHA Staff in Respect of Confidentiality
	Nolan Principles on Standards in Public Life http://www.public-standards.gov.uk/about_us/the_seven_principles_of_life.aspx

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1. INTRODUCTION

It is the responsibility of Yorkshire and the Humber Strategic Health Authority to ensure that all staff are made aware of their duties and responsibilities arising from the Prevention of Corruption Acts 1906 and 1916. Under these Acts it is an offence for employees corruptly to accept any gifts or consideration as an inducement or reward for:

- Doing, refraining from doing anything in their official capacity
- Showing favour or disfavour to any person in their official capacity

Under the Prevention of Corruption Act 1916, any money gift or consideration received by an employee in public service from a person or organisation holding or seeking to obtain a contract will be deemed by the courts to have been received corruptly unless the employee proves the contrary.

The above direction was incorporated in HSG(93)5 “Standards of Business Conduct for NHS staff”.

Staff must at all times:

- Ensure that the interests of the public remain paramount
- Be impartial and honest in the conduct of their official business
- Use public monies to the best advantage of the SHA, always ensuring value for money

Staff should not at any time:

- Abuse their official position to personal gain or to benefit their family or friends
- Seek to advantage or further private business or other interests, in the course of their official duties.

2. CASUAL GIFTS

At paragraph 7, HSG(93)5 makes reference to the receipt of “Casual Gifts”. It acknowledges that casual gifts such as may be offered at Christmas may not be linked to contracts and therefore will not be in breach of the Prevention of Corruption Acts, but nevertheless, recommends that they should be rejected. Items of small value such as calendars or diaries however can be accepted.

The Department of Health letter dated November 2000 entitled “Commercial Sponsorship – Ethical Standards for the NHS” includes at paragraph 8 references to the receipt of casual gifts. It removes the responsibility to record the receipt of small gifts, that is under £25 per gift, but it does require that if in any one-year gifts from a single source exceed £100 then this should be recorded. In Annex A to this letter, staff are recommended to refuse all gifts which might reasonably be seen to compromise their personal judgement or integrity.

3. HOSPITALITY

At paragraph 8, HSG(93)5 makes reference to the receipt of hospitality. It allows the receipt of reasonable hospitality so long as it is suitable to the circumstances and similar in scale to that offered by the NHS. Staff should however decline offers of hospitality linked to entertainment. This concept is also repeated in Annex A to "Commercial Sponsorship – Ethical Standards for the NHS".

4. POLICY STATEMENT

4.1 Enabling Guidance

In accordance with the guidance included in HSG (93) 5, the November 2000 letter from the Department of Health noted above and the Authority's Standing Orders (SO6) and Standing Financial Instructions (SFI 19.2.6 d) and SFI 26).

4.2 Gifts

4.2.1 All gifts, with the exception of those listed below, shall be politely refused and the offer of the gift recorded in the Register of Gifts held on behalf of the Chief Executive by the Associate Director – Corporate Business.

4.2.2 Examples of gifts which may be accepted without being recorded in the Register of Gifts (subject to having an individual value of less than £25 are:

a) Calendars
b) Diaries
c) Electronic calculators
d) Pens
e) Mugs
f) Post-it type note pads
g) Mouse mats
h) Desk tidies
i) Telephone message pads
j) Confectionery
k) Flowers
l) Work-related publications

4.3 Hospitality from Private Sector Companies

Hospitality of an exceptional nature should be refused unless the estimated individual value is less than £25. If below £25 then:

4.3.1 Hospitality can be accepted if linked to an official meeting or function and is in accordance with normal NHS or commercial practice and where refusal would be detrimental to the objective of the meeting.

4.3.2 Hospitality received on a one to one personal basis should be refused unless linked to an official function or the refusal would be detrimental to the business of the NHS.

4.3.3 The Chief Executive or Director of Finance and Investment will determine the acceptability of hospitality should the offer be outside the parameters noted above but still may be in the interests of the NHS to accept.

4.3.4 All hospitality received in excess of £25 shall be recorded in the Hospitality Received Book held on behalf of the Chief Executive by the Associate Director – Corporate Business.

4.4. Hospitality Offered by the Authority

4.4.1 Hospitality (excluding the purchase and consumption of alcohol and tobacco products) may be provided to persons attending meetings hosted by Members and/ or staff of the Authority at any location, subject to it being reasonable. For large, formal, occasions small amounts of table wine may be served at the Chief Executive's discretion. In these circumstances, the serving of a specific quantity of table wine must be formally authorised by the Chief Executive. The test of reasonableness would be such that the decision to offer hospitality on the scale proposed could be justified at a public meeting of the Authority.

4.4.2 All hospitality should be authorised by the appropriate budget holder or their nominee and only when that officer is satisfied of the relevance of providing the level of hospitality requested.

4.4.3 For the Strategic Health Authority, the Director of Finance and Investment shall agree annual budgets for the provision of hospitality and issue monthly reports of expenditure.

4.4.4 Wherever possible, subject to suitability and availability, meetings or events arranged, or hosted by the SHA, should be held on NHS premises. Where non-NHS premises are utilised, efforts should be made to secure best value for money.

4.5 Guidance

The following checklist should be used as a reminder before ordering hospitality:

4.5.1 General

- Hospitality is not the "norm" when conducting business; it should be provided only when necessary;
- It is not justifiable to provide hospitality solely to reciprocate hospitality received on some previous occasion;

- Hospitality should not be extended to spouses of staff or guests unless the circumstances fully justify this;

4.5.2 Drinks at Meetings

- The Chairman (of a meeting) should consider carefully whether the provision of beverages is justifiable – factors to be taken into account include the likely length of the meeting and the distance travelled by those attending;

- The provision of alcoholic drinks at public expense can rarely be justified; therefore drinks should be non-alcoholic;

4.5.3 Working Lunches

- Working lunches should, *ordinarily,* only be provided when a meeting is held or continues through the entire course of a lunchtime (12.00-2.00) and most of those attending are based off-site. Even then, lunches should not be provided as a matter of course;

- When considered essential, they should be limited to a buffet-type meal and normally approved caterers should be used. All staff should consider value for money issues prior to ordering refreshments for contractors or outside caterers.

- Pending the development of further guidance on the provision of hospitality, existing local arrangements for authorising externally provided catering should be followed.

5. PREFERENTIAL TREATMENT IN PRIVATE TRANSACTIONS

Staff may not seek, nor accept, preferential rates or benefits in kind for private transactions carried out with companies with which they have had, or may have, official dealing on behalf of the SHA.

6. CONTRACTS

6.1 All staff who are in contact with suppliers and contractors, including external consultants and in particular those who are authorised to sign purchase orders, or place contracts for goods, materials or services, must adhere to professional standards of the kind set out in the Ethical Code of the Institute of Purchasing and Supply.

6.2 Fair and open competition between prospective contractors or suppliers for NHS contracts is a requirement of Standing Orders, Standing Financial Instruction's and of EC Directives.

7. REWARDS AND INITIATIVE

7.1 As a general principle, any financial gain resulting from external work undertaken connected with SHA business should be forwarded to the SHA.

7.2 Any patent or copyright resulting from the work of an SHA member of staff shall be the property of the Authority. Where, however, this results in financial gain for the Authority, consideration will be given to rewarding appropriate staff.

7.3 Similar consideration will be given to employees who carry out innovative work that benefits or enhances the SHA's reputation.

7.4 Consideration will be given to rewarding staff for unpaid work beyond normal contracted hours for collaborative work with commercial organisations that results in financial gain for the SHA.

7.5 The relevant Director must be informed, before entering into any obligation to undertake any external work (e.g. articles for submission to journals etc).

7.6 The Director will then decide (within 5 working days or whatever period may be agreed as being reasonable in the circumstances) if the work will:

a) interfere with the performance of the member of staff's professional responsibilities or:

b) compete or conflict with the interest of the SHA, in which case the SHA may, at its sole discretion, require the member of staff not to undertake the work. Such a requirement will not be made unreasonably. It will be subject to full consultation with staff and, if made, will be accompanied by full written reasons for it.

8. COMMERCIAL SPONSORSHIP FOR COLLABORATIVE PARTNERSHIPS

8.1 Collaborative partnerships with industry can have a number of benefits for the NHS. An important part of any joint working will be a transparent approach to any proposed sponsorship to the SHA, or to independent contractors and their staff.

8.2 Commercial sponsorship is defined as including NHS funding from an external source, including funding all or part of the costs of: a member of staff; NHS research; staff training; pharmaceuticals; equipment; meeting rooms and other costs associated with meetings; meals and hospitality; gifts; hotel and transport costs (including trips abroad); provision of free services; building or premises.

8.3 In all these cases, the SHA, individual members of staff and independent contractors should declare and record the details of the sponsorship, or commercial relationship linked to the supply of goods

or services, in the SHA's Register of Gifts and Hospitality, held by the Associate Director – Corporate Business.

8.4 No arrangement should be entered into for the full or partial sponsorship or funding of a post within the SHA where such sponsorship is dependent on the purchase or supply of particular goods or services.

8.5 In the case of companies offering to sponsor, wholly or partially, a post within the SHA, no further discussions should be entered into, unless it has been made abundantly clear to the company concerned that the sponsorship will have no effect on decisions within the SHA. Where such sponsorship is accepted, monitoring arrangements should be established to ensure that decisions are not being influenced by the sponsorship agreement.

8.6 Under no circumstances should employers agree to 'linked deals' whereby sponsorship is linked to the purchase of particular products or to supply from particular sources.

8.7 Where the major incentive to entering into a sponsorship arrangement is the generation of income rather than other benefits, then the scheme should be properly governed by income generation principles rather than sponsorship arrangements.

8.8 As a general rule, sponsorship should be at corporate, rather than individual level.

8.9 Where such collaborative partnerships involve a pharmaceutical company then the proposed arrangements must comply fully with the Medicines (Advertising) Regulations 1994. Any one who contravenes regulation 21(1) is guilty of an offence.

9. COMMERCIAL CONFIDENTIALITY

Staff should, at all times, guard against providing information on the operations of the Authority which might provide a commercial advantage to any organisation (private or NHS) in a position to supply goods or services to the SHA. SHA staff are bound by a Code of Conduct in respect of Confidentiality.

10. FRAUD AND CORRUPTION

The SHA is committed to the elimination of any fraud or fraudulent acts within the SHA by staff (included those of hosted organisations) or contractors, and the rigorous investigation and appropriate disciplinary/legal action in cases where fraud or illegality is proven.

The SHA has procedures in place to reduce the likelihood of fraudulent acts occurring. These include the Fraud and Corruption policy, Standing Orders, Standing Financial Instructions, a system of Internal Control and internal and

external audit programmes. All staff have a responsibility to familiarize themselves and to comply with these and all other corporate policies.

Appendix A

CODE OF CONDUCT

This code is applicable to staff at every level of Yorkshire and the Humber Strategic Health Authority and is designed to protect staff and the interests of the SHA.

- Ensure you have read and understood the policy on Standards of Business Conduct - Receipt of Gifts and Hospitality
- Refuse gifts, inducements or hospitality other than items of modest value.
- Staff with authority to commit expenditure must declare any relevant and material interests in accordance with the SHA's Policy on the Registration of Interests.
- Do not use your official position for private gain.
- Respect confidentiality of business information in accordance with the SHA's Code of Conduct in Respect of Confidentiality.
- Act in accordance with the seven Nolan principles on standards in public life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership (see Appendix B).
- Use the agreed procedures to raise any issues which concern you. You can be assured of a sympathetic hearing and full explanation of any decisions taken.

Appendix B

Nolan Principles of Standards in Public Life

The Nolan Committee set out **'Seven Principles of Public Life'** which it believed should apply to all in the public service. These Principles have been adopted by the SHA Board and all staff are expected to uphold them. The principles are:

Selflessness
Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.

Integrity
Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

Objectivity
In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability
Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness
Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty
Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership
Holders of public office should promote and support these principles by leadership and example.