

## ***Part C***

### **Code of Conduct for School Governors, Headteacher and Other Staff in Respect of Commercial Practices, Gifts and Hospitality**

#### **1. Introduction**

- 1.1 The principal aim of the County Council's Code of Conduct on Gifts and Hospitality is to ensure that business at schools is conducted in accordance with the very highest standards. School Governors and employees should never use their office for personal gain and should seek to uphold and enhance the standing of the school and the County Council by:
- (a) maintaining a high standard of integrity in all business relationships;
  - (b) fostering the highest possible standards of professional competence amongst those for whom they are responsible;
  - (c) complying both with the letter and the spirit of:
    - (i) the law;
    - (ii) the County Council's Corporate Governing Policy, these Financial Regulations and Instructions for Schools with Delegated Budgets;
    - (iii) any additional guidance supplied by Strategic Directors of the County Council;
    - (iv) the Conditions of Service of Employees of the County Council;
    - (v) the Code of Conduct for Officers;
  - (d) rejecting any business practice, which might reasonably be deemed improper.
- 1.2 The following guidelines express the obligations of school Governors or employees which exist in legislation or are expressed or implied conditions of appointment. Throughout these guidelines use of the words "Director for Childrens Services" refers to individual education officers supporting the school.

1.3 The Code of Conduct on Gifts and Hospitality covers:

1. Introduction
2. Gifts
3. Hospitality
4. Private Transactions
5. Transactions between Governors or employees and the school involving pecuniary interest
6. Protection of Commercially Valuable Information
7. Action in the Event of Breaches

**2. Gifts**

**Gifts by way of Inducement or Reward**

- 2.1 The Prevention of Corruption Acts 1889 - 1916 prohibit individuals from soliciting or receiving any gift or consideration of any kind from contractors or their agents, or from any organisations, firms or individuals with whom they are brought into contact by reason of their official duties, as an inducement or reward for:
- (a) doing or refraining from doing anything in their official capacity; or
  - (b) showing favour or disfavour to any person or firm in their official capacity.
- 2.2 The 1916 Act automatically assumes that gifts or considerations are corrupt and where public sector contracts are concerned it is for the individual to prove otherwise. Because of this, it is good practice for individuals and managers to keep a simple record of any instances which might later be open to misinterpretation, e.g. the return of an unsolicited gift or offers of excessive hospitality etc.
- 2.3 It should be noted that offers of inducements of gifts include promotions such as:
- (a) competitions where entries are based on the school purchasing items or services as a qualification;
  - (b) other free gifts associated with the placing of orders;
  - (c) gifts based on attendance at exhibitions or seminars on behalf of the school.

- 2.4 Free gifts based on the collection of coupons or vouchers from the packaging of items purchased with County Council funds would not be acceptable unless the gifts were clearly applicable to the school or the County Council and not the individual.

### **Casual Gifts**

- 2.5 Headteachers should give consideration to the maintenance of a record of all gifts given or received by their staff. The Governing Body should consider maintaining a similar record in respect of gifts given to or received by Governors.
- 2.6 Although casual gifts offered by contractors or others, for example at Christmas time, may not be in any way connected with the performance of duties so as to constitute any offence under the Prevention of Corruption Acts, such offers should be politely but firmly declined and the Finance Business Partner (CEF) informed. The only gifts, which may be accepted, are calendars, diaries and other simple items of office equipment of modest value, and then only if they bear the company's name or insignia. In any case of doubt, the Finance Business Partner (CEF) should be informed.

## **3. Hospitality**

- 3.1 The utmost discretion should be exercised in accepting offers of hospitality from contractors, potential contractors or their representatives, or from other organisations or individuals involved in commerce. Whether hospitality can suitably be accepted depends on the nature and on the circumstances. A precise rule cannot be laid down. Generally speaking all hospitality, including reciprocal hospitality, should be such as would be seen to be reasonable and appropriate in the circumstances. Those in contact with contractors etc should be on their guard against accepting hospitality, which might later lay them open to allegations of a lack of independence and impartiality. In all cases of doubt advice should be sought from the Finance Business Partner (CEF).
- 3.2 Hospitality, which is at an appropriate low level as part of a sales demonstration or technical instruction is acceptable, although significant "prizes" or overnight hospitality, would not be.
- 3.3 Employees should only accept offers of hospitality if there is a genuine need to impact information or represent the local authority in the community. Offers to attend purely social or sport-connected 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. These should be properly authorised and recorded. This covers events held outside contractual hours of work e.g. during holidays or at weekends as well as in work time.

- 3.4 Headteachers should give consideration to the maintenance of a record of all hospitality given or received by their staff. The Governing Body should consider maintaining a similar record in respect of hospitality given to or received by Governors.

#### **4. Private Transactions**

- 4.1 Those having official dealings with contractors and other suppliers of goods or services should avoid transacting any kind of private business with them by any means other than normal commercial channels. No favour or preference as regards price or otherwise which is not generally available should be sought or accepted. For example, cash and carry cards obtained for the school must not be used for private purchases.
- 4.2 The purchase of goods or services for private purposes through County Council funds or using official order forms, County Council headed paper or any other formal County Council documentation is not acceptable, even if the individual reimburses the County Council.
- 4.3 Purchases are allowed through the Purchasing Services scheme which allows items to be selected from a catalogue ordered direct from supplier, in the orderer's own name.

#### **5. Transactions between employees or school Governors and the school**

- 5.1 Because of the allegations that can so easily be made, sales and purchases of goods and services between school Governors or employees and the school should, as a matter of principle, be avoided. If there are special reasons for departing from this basic rule in a particular case, then the prior approval of the Finance Business Partner (CEF) should be obtained and the County Council's Standing Orders as to Contracts for Schools with Delegated Budgets should be adhered to strictly. In all such cases the governing body will need to ensure that the terms of any arrangement are, and are seen to be, established in open competition and represents the best terms available for the school.
- 5.2 If it comes to the knowledge of any school Governor or employee that a contract in which he/she has any pecuniary interest, whether direct or indirect, has been or is proposed to be entered into by the school, he or she should, as soon as practicable, give notice in writing to the Finance Business Partner (CEF).
- 5.3 Section 95 of the Local Government Act 1972 defines pecuniary interests very broadly and if an employee or school Governor is uncertain about a particular circumstance he/she should seek further advice from the Finance Business Partner (CEF).

- 5.4 School Governors or employees should declare to their governing body a potential conflict of interest if they or their spouse are employed by or have a financial interest (such as directorships or significant share-holding) in an organisation having or potentially having a contract with the school.
- 5.5 In certain circumstances employees may be asked to sign a declaration not to disclose information obtained as a result of their employment prior to terminating their employment with the school. This might apply, for example, to an employee who has negotiated a contract with a company, which he/she subsequently joins.
- 5.6 Where a decision is to be made concerning a purchase or sale that impacts on an employee or school Governor, it must be seen to be the case that no favour or advantage accrues to the employee or Governor. The individual concerned must take no part in the discussion or decision on the issue.
- 5.7 However well intentioned they may be, offers, for example to carry out services such as minor repairs or decorations or to supply goods at "discount" or "nominal" charge by employees or school Governors or "friends" of the school, should always be subjected to the competitive tests and procedures outlined above.

## **6. Protection of commercially valuable information**

- 6.1 The following provisions should be observed:
- (a) prices offered to the school must, in no circumstances, be disclosed to anyone outside the school;
  - (b) if it is necessary to discuss a contract or tender with any firm, extreme care should be taken to avoid disclosing any information which would be regarded as confidential and commercially sensitive, e.g. the position of a firm in the order of tendering, a budget for the purchase or information of a technical nature received from another firm;
  - (c) those with access to commercially valuable information must be particularly careful not to reveal this information to suppliers' representatives who may try to obtain information about prices paid to their competitors under County Council contracts.

### **Action in the event of breaches**

- 7.1 A breach of the provisions of the Prevention of Corruption Acts 1889-1916 renders those involved liable to possible prosecution. A breach of this Code by

an employee may result in disciplinary action being taken including the possibility of dismissal.