

CITY AND COUNTY OF CARDIFF DINAS A SIR CAERDYDD

STANDARDS AND ETHICS COMMITTEE: 22 MAY 2007

REPORT OF THE MONITORING OFFICER AGENDA ITEM: 7

REGISTRATION OF GIFTS AND HOSPITALITY

Reason for this Report

1. To invite the Committee to review the Council's thresholds for the registration of gifts and hospitality by Members and Officers, and to make any appropriate recommendations to the Council in this regard.

Background

2. The terms of reference of the Standards & Ethics Committee include to advise on the content and implementation of the Codes of Conduct.
3. Under the Members' and Officers' Codes of Conduct, Members and Officers are required to register any gifts, hospitality or other benefits where the value of the item or benefits exceeds an amount determined by the Council from time to time (Members' Code of Conduct Part III paragraph 22; and Employees' Code of Conduct paragraph 8).
4. Guidance issued by the Council under the Code of Conduct for Members and Employees on Hospitality, Gifts and Other Benefits ('Guidance' – attached at **Appendix A**) states that the thresholds are to be reviewed by the Council as necessary, in consultation with the Standards Committee.
5. At its meeting on 5 October 2006 the Committee resolved to instruct the Monitoring Officer to obtain information from other local authorities on their threshold values for the registration of gifts, hospitality and other benefits, and to report this information to the Committee, to enable the Committee to review Cardiff Council's thresholds, and make any consequent recommendations to Council.
6. This report presents information on the threshold values for the registration of gifts, hospitality and other benefits of other local authorities, and invites the Committee to review Cardiff Council's thresholds within this context.

Issues

7. The current financial thresholds for the registration of gifts, hospitality and other benefits received by Members and Officers within Cardiff Council are specified within the Council's Guidance (paragraph 15) as follows:

- 'Gifts – estimated value of £125 or greater;
- Hospitality and other benefits – estimated value of £190 or greater for each relevant occasion or payment.'

Definitions of 'Gifts', 'Hospitality' and 'Other benefits' are set out in the Guidance (paragraph 2) attached at Appendix A.

8. The Guidance states that these financial limits were set with reference to the thresholds operating for members of the National Assembly for Wales (NAW). The NAW's threshold is set as a percentage (0.5%) of members' salaries, which in 2003 represented approximately £180. Assembly Members salaries may well have increased since then, and are understood to be significantly higher than the allowances received by Cardiff's elected Members.
9. From enquiries made of surrounding local authorities, the following information was obtained:

Local Authority	Threshold for registration of Gifts	Threshold for registration of Hospitality	Other Comments
Caerphilly County Borough Council	£15	£15	To be reviewed shortly
Rhondda Cynon Taff County Borough Council	£20	£20	New threshold for acceptance with effect from 23/05/07; previously 'nil'
Newport City Council	£80	£80	
City and County of Swansea	£25	£25	

10. The Committee will note that all the other authorities consulted have a single threshold for Gifts and Hospitality; and their thresholds are significantly lower (the average is £35.00) than the thresholds in Cardiff Council.

11. The Committee may recall that the recent NAW consultation on the revised Code of Conduct raised the question of whether the thresholds for registering gifts and hospitality should be set nationally or locally by standards committees. It is unknown whether the revised Code of Conduct will make any provision in this regard, and in any event, it is thought unlikely that the revised Code will be issued until 2008.
12. The Committee is invited to review the current thresholds set for Cardiff Council, in comparison with thresholds set by other local authorities, and to make any consequent recommendations to Council.

ADVICE

This report has been prepared by the Monitoring and Chief Legal & Democratic Services Officer. It contains all the information necessary to allow Members to arrive at a reasonable view, taking into account the advice contained in this section.

Legal Implications

The relevant legal provisions and the implications of these are contained within the body of this report.

Financial Implications

There are no financial implications arising from this report.

RECOMMENDATION

That the Committee reviews the current thresholds set for Cardiff Council, in comparison with thresholds set by other local authorities as noted in this report, and makes any consequent recommendations to the Council.

Kate Berry
Monitoring Officer and Chief Legal & Democratic Services Officer
16 May 2007

Background papers

Monitoring Officer's Report to Standards & Ethics Committee 'Registration of Gifts and Hospitality' 5 October 2006; and minutes of Committee's decision

Cardiff Council Members' Code of Conduct

Cardiff Council Employees' Code of Conduct

NAW Committee on Standards of Conduct Report titled 'Woodhouse Review – Registration of Gifts and Hospitality' dated 10/03/05

NAW thresholds April 2003

NAW Consultation on Revised Code of Conduct April 2005

Appendices

Appendix A Cardiff Council Guidance Issued under the Code of Conduct for Members and Employees 'Hospitality, Gifts and Other Benefits' (January 2007)

CITY AND COUNTY OF CARDIFF

GUIDANCE ISSUED UNDER THE CODE OF CONDUCT FOR MEMBERS AND EMPLOYEES

HOSPITALITY, GIFTS AND OTHER BENEFITS

Introduction

1. This guidance is issued under the statutory Codes of Conduct for Members and officers, and is therefore relevant to Councillors and Co-Opted members of Cardiff Council, and to Council employees to whom the Employee Code of Conduct relates. The guidance contains the levels set by the Council under the Codes above which the receipt of gifts and hospitality must be notified to and registered by the Monitoring Officer. It also details the process of approving hospitality provided by Members and Officers of the Council to external bodies or individuals.
This guidance does not cover civic hospitality provided.

Definitions

2. "Hospitality" received – any entertainment beyond the offer of non-alcoholic drinks and light refreshments, which would reasonably be regarded as normal social congress, offered to the Member or officer in his/her official capacity or in the course of their duties as a Member or officer of the Council. Hospitality can include (but not exclusively) entertaining individuals to meals, travel opportunities, hotel accommodation, invitations to events, sporting and theatre tickets.

"Gift" – any tangible item given to a Member or employee arising out of his/her official duties and position with the Council.

"Other benefits" – any other benefit offered to a Member or employee in the course of or arising from their official duties, not constituting covered by the definitions of Gifts or Hospitality above.

"Hospitality " provided – any hospitality, gifts or other benefits offered to organisations or individuals (excluding civic hospitality) in order to further the proper exercise of the Council's functions and its role as the capital city of Wales.

HOSPITALITY RECEIVED

Statutory and Council Framework

3. The Council's Code of Conduct for Members states that:-

"Integrity – Article 9(b) (Members) must avoid accepting from anyone gifts, hospitality (other than official hospitality, such as a civic reception or a working lunch duly authorised by the Authority), material benefits or services for themselves or any person with whom the Member is living, that would, or might reasonably appear to, place them under an improper obligation."

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"Registration of Gifts and Hospitality – Article 22(1) Subject to sub-paragraph (2) below, a Member must notify the Authority's Monitoring Officer of the existence and nature of any gift, hospitality, material benefits or advantage received by the Member, or to the Member's knowledge any person with whom the Member is living, from any company, organisation or person and relating to or arising out of their position as a Member, where the value of the item or benefit exceeds such amount as the Authority shall from time to time determine.

(2) Any gift accepted by a Member on behalf of that Member's relevant Authority need not be notified to that Authority's Monitoring Officer."

4. The statutory Code of Conduct for Local Government Employees (which currently excludes fire-fighters and teachers) states that:-

"Personal Interest – Article 8 (Employees must comply with) any rules of their relevant Authority on the declaration by employees on hospitality or gifts offered to or received by them from any person or organisation doing or seeking to do business or otherwise benefiting or seeking to benefit from a relationship with the Authority. Qualifying employees must not accept benefits from a third party unless authorised to do so by their relevant Authority."

Acceptance and Refusal

5. Whatever the value of the gift, hospitality or other benefit offered to a Member or employee, if its acceptance may place him/her under an improper obligation to the donor, or may reasonably appear to do so, it should always be refused.
6. It is not possible to describe all the situations where an improper obligation may arise. However, these are some examples of circumstances in which offers are likely to be seen as suspect:-

- The offer of hospitality, gifts or benefits, which do not appear to have any proper purpose connected with the Council (examples could include the offer of private holidays or the use of holiday accommodation, personal gifts of substantial value or other benefits offered to the Members or employees at substantially below the price they would normally be offered to the public);
- Benefits offered to individuals who are closely involved with the matter or relevant service area by someone seeking to do business with the Council by (for example) negotiating a contract or the sale or acquisition of a property, or who has submitted a tender for a Council project;
- Regular and repeated hospitality from the same person or organisation;
- Hospitality offered where the Council or employee would be the sole guest on an essentially private occasion;
- Hospitality offered for purely sporting or social occasions away from the Council's area, where there would be no general expectation that the Council should be represented, nor any clear connection with Council functions.

It should be stressed that the above are examples only, and are not exhaustive. Each offer should be considered on its merits and it will be necessary for the Member or employee to take a personal view as to whether it is appropriate to accept it.

7. Members and employees must strike a balance between, on the one hand, taking an active part in the life of the community and ensuring that the Council is properly represented when it needs to be in a position to receive or impart information, and, on the other hand, the need to avoid the appearance of improper obligations.
8. In circumstances where it is necessary for the Council to be represented at events where hospitality is offered, it is appropriate to accept unless there are circumstances which clearly suggest that an improper obligation may be seen to arise. If, for example, the host offering hospitality is at a sensitive stage in contractual negotiations with the Council, it will not be appropriate for those who are directly or indirectly involved with those negotiations to accept hospitality. If the matter is a major project which affects many parts of the Council, all invitations during negotiations should be refused. If, however, the issue is relatively minor and confined to one service area or a small group of individual Councillors or employees, it may be appropriate for those unconnected with the matter to accept invitations, if it is believed that the event concerned is particularly relevant to Council functions.
9. The offer of hospitality from major public bodies (including the UK Parliament, the National Assembly for Wales, National Health Service Trusts, health authorities, Audit Commission and other councils) will normally be appropriate for acceptance as the implication of improper obligation would rarely arise in those circumstances and such events are generally arranged for proper public purposes. However, those offered the hospitality would still need to consider whether acceptance is likely to further the Council's interests. Also, if the organisation is involved in the process of negotiating a contract or other arrangement with the Council, careful consideration should be given before accepting the invitation.
10. Members and employees may be offered gifts in the form of bequests, as a result of their undertaking official duties. This most often happens in the case of home care or residential care staff. Offers of bequests should be discouraged where possible, but if a bequest is made, employees are required by their Code of Conduct to seek the consent of the Council before accepting it. Acceptance of a bequest by Members or employees should be considered within the following framework:-
 - Consent will generally be refused where undue influence or persuasion has been shown to be brought to bear on the testator;
 - The acceptance of small bequests representing a minor proportion of the estate in each individual case will generally be seen as acceptable.

Authorisation

11. It is necessary under the Employee Code of Conduct for employees to receive formal authorisation from the Council before accepting gifts, hospitality or other benefits. The decision whether to seek authorisation is for the employee alone. Even if authorisation is given by this guidance or otherwise, employees remain under a duty to consider whether acceptance of the gift, hospitality or other benefit would place him/her under an improper obligation or be reasonably regarded as such, and whether they need to register its receipt. The responsibility to do so remains with the employee.
12. Subject to paragraph 11 above, this guidance gives general authorisation for employees to accept the following without further authorisation:-
- Promotional or advertising items including pens, calendars, note pads, diaries, etc;
 - Token gifts given to all or most participants at the end of an official visit by or to the Council or a properly authorised conference;
 - Modest gifts given by individuals to express gratitude for help given in the proper performance of official duties, where refusal would needlessly offend, including (for example) bunches of flowers, boxes of chocolate, single bottle of inexpensive wine etc, but repeated or costly gifts of this nature should be politely refused;
 - Hospitality offered as part of a conference or training event at which attendance has been authorised through the normal procedures;
 - Hospitality by way of meals offered at business meetings where it is necessary because of diary commitments or other pressing circumstances, for the meeting to cover a normal mealtime. In such cases, the hospitality should be of an appropriately modest scale.
13. For all other occasions, authorisation form [4.C.095](#) (Hospitality, Gifts and Other Benefits – Employee Authorisation) should be completed by employees, duly authorised as set out below and sent for record purposes to the Clerk to the Council :-

<u>Employee</u>	<u>Authorised by</u>
Below Chief Officer	Chief Officer
Head of Function	Corporate Director
Chief Officer	Corporate Director or Chief Executive
Corporate Director	Chief Executive
Chief Executive	Monitoring Officer or S.151 Officer

14. Councillors or Co-Opted Members are not required to obtain authorisation before accepting hospitality, gifts or other benefits offered in connection with their official role. They will be responsible for any decision they take to accept.

Registration

15. Members and employees are required to register any gifts, hospitality or other benefits exceeding the following value, using the applicable form ([4.C.034](#) – Employee Register or [4.C.039](#) – Member Register), which will be returned for registration to the Clerk to the Council:-
- Gifts – estimated value of £125 or greater;
 - Hospitality and other benefits – estimated value of £190 or greater for each relevant occasion or payment.

These financial limits were set with reference to the current thresholds operating for members of the National Assembly for Wales. If there is any doubt about whether the item exceeds the threshold value, the Member or employee is advised to register its receipt. However, for the avoidance of any doubt, items below the threshold values do not need to be, and will not be registered. The threshold will be reviewed by the Council as necessary and appropriate, in consultation with its Standards Committee. The registers will be made available for public inspection.

16. Civic gifts or donations intended to be given to the Council and not to the Member or employee personally, should be accepted on behalf of the Council and need not be registered by the individual formally receiving them. However, the receipt of such gifts should be recorded by the Council for inventory purposes.

HOSPITALITY PROVIDED

Offering Hospitality, Gifts and Other Benefits

17. There will be many occasions when it is necessary and appropriate for the Council to offer hospitality, gifts or other benefits to organisations or individuals in order to further the proper exercise of the Council's functions and its role as the capital city of Wales. These may include the following (which is for guidance and not intended to be an exhaustive list):-
- Promoting the economic, environmental and social benefit of the inhabitants of the area;
 - Securing economic development;
 - Promoting tourism within the City and providing entertainment;
 - In connection with official (non-civic) visits by distinguished people, representatives of foreign, national, regional and local government and other public services;
 - Raising money for charitable purposes or for the funds of public bodies which provide services otherwise than for gain.
18. When considering whether to make such offers, Members and employees must ensure that they have proper regard to the fiduciary responsibilities of the Council towards Council Taxpayers and the inhabitants of the area.

19. The Member Code of Conduct says that:-

"7. Members:

- (a) must not, in their official capacity or otherwise, use their position improperly to confer on or secure for any person, and in particular their family, friends or those with whom they have a close personal association, an advantage or disadvantage or to secure an advantage for themselves;*
- (b) must, when using or authorising the use by another Member of the resources of the Authority, do so prudently and in accordance with the law and the Authority's requirements; and*
- (c) must ensure that the resources of the Authority are not used improperly for their own private purposes, their family, friends and persons with whom they have a close personal association."*

20. The Employee Code of Conduct says that:-

"7. Qualifying employees of relevant Authorities must ensure that they use public funds entrusted to them in a responsible and lawful manner, and must not utilise property, vehicles or other facilities of the Authority for personal use unless authorised to do so."

21. (a) Members and Employees of the Council are required to complete the appropriate [form](#), in advance of giving Hospitality to representatives of external organisation, businesses or individuals. Authorisation will be required in advance and details of authorising Officers are set out below:

Hospitality offered within the UK by	Approval by :
Any Member	Clerk to the Council
Chief Executive	Section 151 or Monitoring Officer
Corporate Director	Chief Executive
Chief Officer	Corporate Director
Head of Function	Corporate Director
Any other officer	Chief Officer

Hospitality offered Overseas by	Approval by :
Any Member	Clerk to the Council
Chief Executive	Section 151 or Monitoring Officer
Corporate Director	Chief Executive
Any other Officer	Corporate Director

It will be necessary to provide as much information as possible about the reasons for providing the hospitality, showing any links/benefits to the Council.

- (b) Reimbursement of approved expenditure only will be made via a petty cash account. All approval forms and a VAT receipt will be required.
- (c) Completed forms for Members, Chief Officers and above shall be forwarded to the Clerk to the Council for the central record. **Forms for below Chief Officer level should be retained by the appropriate Chief Officer.**