



Guidance on Provision and Acceptance of Gifts and Hospitality

Background and Information

This document provides guidance to LMC staff and Commission members in relation to gifts and hospitality. It highlights the importance of a consistent perspective on an increasingly important issue whilst recognising that some degree of flexibility and judgement must be maintained.

Staff should conduct themselves with honesty and impartiality at all times. Hence it is not acceptable to receive any benefit that may be perceived as having the potential to compromise personal judgement on work related issues. Staff should never give rise to the impression that their decisions have been influenced by gifts or hospitality while carrying out official duties.

In some circumstance acceptance of gifts and hospitality can be deemed illegal. The Prevention of Corruption Act 1906 determines that any money, gift or consideration received by a staff member from a person or organisation holding or seeking to obtain a Government contract will be deemed by the Courts to have been received corruptly unless the staff member proves to the contrary. Therefore it is in all staff's interest to be in a position to be able to justify all gift and hospitality related decisions.

LMC holds a Gifts and Hospitality register for each year which is available for periodic review. The registers are subject to Freedom of Information (FOI) requests so staff should bear this in mind when deciding on the acceptance of any gift or hospitality.

1.0 Provision of Gifts and Hospitality by LMC

1.1 General Principles

1.1.1 All expenditure is to be thought of as Public money. Official hospitality is a sensitive matter that can lead to public criticism. Extreme care should be taken to avoid exposing LMC to allegations of impropriety or extravagance.

1.1.2 Official hospitality should only incur expenditure where it can be shown to be in direct support of LMC business. Therefore it is recognised that expenditure may be more frequent in some business areas, due to the nature of work carried out. Similarly Annual Conferences or Dinners which are considered an integral element in building and maintaining relationships with relevant sectors are acceptable.

1.1.3 Managers have a responsibility always to consider the justification for hospitality. The scale of expenditure should be appropriate to the needs of the occasion and the status of the guests. Managers should always exercise economy. Approval must be obtained via LMC Purchase Order in support of expenditure being incurred, in line with the Management Statement & Financial Memorandum.

1.2 Hospitality Requirements

1.2.1 LMC has developed a set of guidelines on the provision of hospitality in line with DAO (DFP) 10/06.

1.2.2 Food and refreshment hospitality should be appropriate to the occasion.

1.2.3 LMC Senior Management Team have authority to approve expenditure up to a limit of £35 per head (including drinks/service charge). Anything above this limit can be approved by the Chief Executive, subject to full justification. In such cases full details of the function, number of guests and staff attending, together with itemised costs should be recorded on the LMC Purchase Order or suitable documentation before approval. Such hospitality should then be recorded on the Gifts and Hospitality Register.

1.2.4 In cases where hospitality is provided for LMC staff the responsibility for recording the event on the Gifts and Hospitality Register lies with the business area paying for the event.

1.3 Gifts Requirements

- 1.3.1 In line with LMC's Management Statement & Financial memorandum, token gifts to employees are covered in DAO (DFP) 05/03.
- 1.3.2 Gifts in excess of £100 require specific DFP approval. Any such proposals should be submitted to DARD Food Policy Section in the first instance.
- 1.3.3 Submissions should record specific details of the gifts. They should fully justify why the gift is deemed necessary and how value for money has been ensured.

1.4 Hospitality Expenditure Guidelines

1.4.1 LMC Hospitality

It is difficult to defend expenditure if incurred on behalf of visitors who are paid from public funds for their services. Only in exceptional circumstances should expenditure be incurred for NI and Home Civil Servants. In such cases numbers should be kept to an absolute minimum.

When a hotel is being used, a fixed menu for food and drink should usually be negotiated. If no service charge is included on the bill, a tip of up to 10% is considered reasonable

The costs of drinks, including aperitifs and wines, should not exceed more than one-third of the total cost of the function. However, it is recognised that judgement will be required to ensure that such a restriction on hospitality does not render nugatory the purpose of providing the hospitality in the first instance i.e. the generation of goodwill.

1.4.2 Refreshments

Internal meetings should not normally be supported from public funds. Such meetings do not constitute a "special duty". Staff would be purchasing/making their own refreshments on a normal day, and therefore this should not change. In very exceptional circumstances a manager may be obliged to provide refreshments for a large gathering of LMC staff.

Interdepartmental meetings that are organised on a formal basis (more than 5 people with minutes being taken) may provide refreshments.

For external visitors it is reasonable to provide refreshments such as tea/coffee and biscuits. However, working meals are acceptable where it can be demonstrated that it is cost-efficient. This is generally because it would hinder progress and efficiency to halt in order for refreshments. This does not cover internal meetings where staff could reasonably be expected to organise their usual arrangements in advance of the meetings.

2.0 Acceptance of gifts and hospitality by LMC

2.1 General principles

- 2.1.1 Section 2 of this guidance sets out the principles governing the acceptance of gifts and hospitality and provides some specific advice on how these principles should be interpreted. It sets out good practice concerning acceptance or rejection of gifts or hospitality
- 2.1.2 LMC recognises that its employees have a responsibility, in the interests of public confidence, to exhibit high standards of propriety and to carry out their role with dedication and commitment to the core values of Public Life: integrity, honesty, objectivity and impartiality.
- 2.1.3 No member of LMC staff or Commission members should do anything which might give rise to the impression that he or she has been or might be influenced by a gift or hospitality or other consideration to show bias for or against any person or organisation while carrying out official duties. It is just as likely that difficulties will arise over perceptions as the reality.
- 2.1.4 External people on behalf of LMC (e.g. consultants, contracted staff etc) must also abide by the policy. If it is believed that an external person may have breached the policy, the matter should be reported to the Head of Department or Chief Executive as appropriate, who will take the matter up with the individual or his / her company. This requirement should be notified to external staff before they start any work for LMC.
- 2.1.5 This guidance should also be seen as applying to spouses, partners or other associates if it can be argued or perceived that the gift or hospitality is in fact for the benefit of the staff member.

2.2 Gifts

- 2.2.1 The general principle is that all gifts offered should be refused. However, seasonal, promotional or trivial gifts (such as calendars, diaries, pens etc.) which bear Company names and/or logos of the provider of the gift and have a value of less than £50, may be accepted by individuals without the need to be reported. More expensive or substantial items valued at £50 or more and gifts of cash, gift vouchers, lottery tickets or gift cheques cannot on any account be accepted. Gifts in kind regularly received from the same source, although individually of an inexpensive nature, may also lead to difficulties in terms of the perceptions of others.
- 2.2.2 Acceptance of any other gifts (other than those outlined in 2.2.1 above for which approval is not required) are subject to approval by the Chief Executive and must be declared by the staff member / Commission member in the LMC Register. If the recipient has or will reject the gift, they only need send details to the Chief Executive's PA for inclusion in the Register.
- 2.2.3 Trade, loyalty or discount cards by which a person might personally benefit from the purchase of goods or services at a reduced price are classified as gifts and should be refused.
- 2.2.4 Frequent flyer cards used by airlines can be used by staff to avail of special departure lounges and priority booking and check-in. They must NOT make private use of any flights / air miles which derive from flights paid from the public purse.
- 2.2.5 Apart from trivial / inexpensive seasonal gifts, no gifts or hospitality from any source should be accepted by anyone involved in the procurement or monitoring of a contract. This will ensure that no criticism can be made regarding bias to a particular company or supplier.

2.3 Hospitality

- 2.3.1. Handling offers of hospitality is recognised as being more difficult to regulate but it is an area where staff must exercise careful judgement. It is also recognised that it can be as embarrassing to refuse hospitality as it can be to refuse a gift.
- 2.3.2 The offer of food or refreshments during the course of the work or an inexpensive gift intended to be shared e.g. chocolates are unlikely to cause

difficulties. Similarly invitations to Annual Conferences or Dinners which are considered an integral element in building and maintaining relationships with relevant sectors are acceptable – such hospitality is likely to be reasonable and proportionate. Caution should at all times be exercised to ensure that over-representation of LMC does not occur at any given event.

- 2.3.3 The acceptance of what would be accepted as conventional hospitality, e.g. working lunches, should cause no problem especially if there is some official means of reciprocity and provided that it is limited to isolated occasions and its acceptance is in the interests of LMC. Hospitality which would not be acceptable would include invitations to frequent or more expensive social functions where there is no direct link to official business (sporting events, theatre, opera or ballet etc).
- 2.3.4 The main point is that in accepting hospitality staff need to be aware of, and guard against, the dangers of misrepresentation or perception of favouritism by a competitor of the host.
- 2.3.5 In deciding whether a gift or hospitality can be accepted, consideration should be given to whether it:
- a) is likely to help business effectiveness;
 - b) places no obligation or perceived obligation on the recipient;
 - c) is not frequent, lavish or prolonged;
 - d) is unconnected with any decision affecting the organisation or the individual offering it;
 - e) can be justified; and
 - f) provides benefits to LMC which outweigh the risk of possible misrepresentation of the hospitality.

The best advice is if in doubt, do not accept or failing that, consult line management.

3.0 Records of Gifts, Hospitality, invitations etc.

LMC will maintain a Register of Gifts and Hospitality - working copy held by Chief Executive's PA. The Register is monitored and reviewed annually by the Chief Executive (Ref FD (DFP) 11/09). The register is subject to Freedom of Information (FOI) requests.

All gifts and hospitality should be recorded on the current year Register of Gifts and Hospitality if they are estimated to be worth £50 or more; this also applies if the cumulative total from any source exceeds £50 in any year. This record applies even if the gift or hospitality is declined.

4.0 Failure to comply

It is not possible to cover here every situation. The advice contained within this guidance is designed to protect Commission members, Staff and LMC from charges of impropriety. Although some level of judgement is recommended, any member of staff who is or becomes aware of or has any doubt about matters relating to this Guidance should advise his/her manager without delay to seek advice on further action.

Failure by any member of staff to comply with the requirements of the above Guidance on Provision and Acceptance of Gifts and Hospitality may constitute a breach of Disciplinary Rules and will be dealt with as such.

References:

1. DARD Gifts and Hospitality Guidance – 22 Jan 2010
2. DAO (DFP) 05/03 Expenditure on Non Pay Rewards
3. DAO (DFP) 10/06 Acceptance and Provision of Gifts and Hospitality
4. FD (DFP) 11/09 Hospitality Registers.
5. LMC Guidance on Conflicts of Interest (Feb 13)