

Gifts & Hospitality Policy

December 2022

Introduction

1 . The aim of the Gifts and Hospitality policy ('the Policy') is to guard against the risk of allegations of impropriety by individuals, however contracted to work for Luton Rising, by providing advice on key issues relating to the rules of regularity and propriety. These rules are based on the fundamental requirements of Luton Council's Code of Conduct for Employees.

2 . Those working with, for and on behalf of Luton Rising are expected to conduct themselves with honesty and impartiality in the exercise of their duties. This policy covers permanent employees of LBC working for Luton Rising either as part of the core team or on secondment and temporary staff whether engaged through an agency or directly contracted to Luton Rising. It does not extend to organisations acting as sub-contractors that should have their own policy on gifts and hospitality. In selecting organisations as sub-contractors regard should be had to the principles of this policy.

3 . Those working with, for and on behalf of Luton Rising should never provide benefits of any kind which might reasonably be thought to compromise either their own personal judgement and integrity or that of others. In this respect, perception is as important as reality. Luton Rising has a responsibility to ensure the regularity and propriety of the public finances for which it is accountable.

4 . To maintain Luton Rising's integrity and reputation, there is a need for transparent practices which withstand public scrutiny and meet expectations in terms of the efficient use of available resources and avoidance of extravagance.

5 . It is important that the Executive Director, Governance as Accounting Officer can defend Luton Rising against all charges that the level of hospitality offered is excessive. The facility to offer hospitality should always be used sparingly.

Principles

7 . The Code of Conduct for Employees states that staff, however contracted to work, must not accept gifts or hospitality or receive other benefits from anyone which might reasonably be seen to compromise their personal judgement or integrity.

8 . Key requirements of the Code of Conduct for Employees are set out below:

14. Gifts and hospitality

14.1 The Local Government Act 1972 states that an employee shall not use his or her office or employment to accept any fee or reward other than their proper remuneration (i.e. salary / pay).

14.2 Employees should try to avoid being placed in a position where refusal of a gift would cause offence (this may be particularly relevant around religious festivals). It is suggested that consideration be given to donating the gift to the Mayor for use in relation to his or her charity.

14.3 Small low value gifts such as flowers, pens, a box of chocolates, diaries or similar that can be shared with colleagues may be accepted providing they are declared and recorded in the Registers of Gifts & Hospitality maintained by each department.

14.4 Modest hospitality provided it is normal and reasonable in the circumstances, e.g. lunches and/or dinners in the course of working visits, conferences or professional gatherings is acceptable and does not need to be declared and recorded.

14.5 If there is any doubt you must check with the Executive Director, Governance before accepting gifts or hospitality.

9 . The Bribery Act 2010 replaced the Prevention of Corruption Acts 1906 and 1916 and came into effect on 1 July 2011. Under the Bribery Act 2010, it is a criminal offence for employees in an official capacity to accept any gift or consideration as an inducement or reward for “doing or not doing anything” or “showing favour or disfavour to any person”.

10 . The Bribery Act 2010 does not interfere with or prohibit the ability to offer or accept gifts or hospitality in genuine circumstances. The rules in the Code of Conduct for Employees and in this policy document in relation to gifts and hospitality still apply and must be followed.

11 . Luton Rising is not only a company governed by public law, it seeks increasingly to place itself in the public eye. As such it must expect to be the subject of close public scrutiny, Freedom of Information requests and media interest in relation to many aspects of its business including hospitality. This Policy sets out general guidance on the provision and acceptance of gifts and hospitality.

12 . All directors and those working for, with or on behalf of Luton Rising (“staff members”) must abide by the provisions of this Policy, irrespective of employment status. Before accepting an offer of hospitality or a gift, staff must notify their line manager, Board members must notify the Chair and Executive Director, Governance in the first instance.

13 . Any money, gift or consideration received by a director or staff member from a person or organisation holding, or seeking, a contract (whether directly or indirectly) will be regarded by the courts as having been received corruptly unless proved to the contrary.

Hospitality

Provision of hospitality

14 . ‘Hospitality’ includes the provision of food and drink, accommodation and entertainment at business events.

15 . There is great sensitivity around providing hospitality at public expense and accordingly directors and staff members must constantly guard against any

appearance of extravagance or 'perks'. Hospitality should be provided at Luton Rising's expense only when there is a clear business need and, as with all expenditure, value for money can be demonstrated.

16 . Under no circumstances should hospitality be provided as a reward or incentive, nor should it be provided as a custom or right. All hospitality provided must show evidence of why it is required and the benefit it will bring.

17 . The use of public funds to provide food and refreshment to directors, staff members or external parties can have the appearance of extravagance, but there are occasions where it may be appropriate.

18 . Hospitality costs are categorised under four headings:

Refreshments for internal meetings – Water may be provided for internal meetings (which includes consultants who form a customary part of internal teams) of an hour or more, and coffee / tea / juice where the meeting includes external guests;

Working meals and refreshments – Food and refreshments at meetings should be exceptional. Approval by a statutory director (for the purposes of this Policy, the Chief Executive Officer or Executive Director, Governance) and the Chief Finance Officer is required before food is ordered. Food may be provided only if the meeting lasts for the majority of the day with a need for continuity over a 'lunch break' and involves external guests. Except where forming part of a staff engagement exercise, or where they precede the start of a shift outside office hours where it would be unreasonable to expect staff members to make their own arrangements, for example, breakfast meetings of operational staff, meetings should not start or end with food.

It should be noted that alcohol should never be provided as part of a working lunch, whether external or internal.

It is recognised that there may be situations that are not explicitly covered by this policy and in those instances it is for managers to use their judgement having regard always to the principles of this policy; if in doubt, they should consult the Executive Director, Governance.

Management conferences and away-days – These should normally be held in Hart House. However, there is flexibility in selecting an external venue if there are significant benefits evident in doing so (including the requirement for larger accommodation). Approval from a statutory director is required in advance of booking.

If approval is received, venues belonging to Luton Council or to one of Luton Rising's charity partners should be considered in the first instance and these options should be explored and evidenced. Overnight accommodation costs will not normally be approved and will require approval by a statutory director. It is imperative that costs

are minimised; the purpose defended; and value for money achieved. End of project celebrations should be funded by members of the project team.

Official entertainment – This refers to events with guests from the private, public and voluntary sector for the purpose of Luton Rising's business. These events may include food and are normally not on office premises. Such events tend only to be requested by the CEO when entertaining. If, exceptionally, other staff members need to consider official entertainment, prior written approval by a statutory director is required.

If alcohol is consumed at such an event, it should be purchased by the participants, not by the company.

Receipt of an offer of hospitality

20 . It is important for Luton Rising directors and staff members to cultivate and maintain effective networks in order to support the work of the company and to gain a real understanding of the views of stakeholders. However, contact with organisations outside Luton Rising can give rise to offers of hospitality and, while accepting hospitality in certain circumstances may further the company's interests, this must be balanced with upholding high standards of propriety and guarding against any reasonable suspicion of perceived or actual conflicts of interest or of an undue obligation being created.

21 . When deciding whether to accept an offer of hospitality (which may come from any sector, public, private or voluntary), directors and staff members should consider the following:

- Purpose: does acceptance further the company's or taxpayers' interest?
- Proportionality: is acceptance over-frequent or over-generous? Any hospitality accepted should not seem lavish or disproportionate to the nature of the relationship you have with the provider; and
- Avoidance of Conflict of Interest: could acceptance increase the risk of actual or perceived bias arising in the performance of your fiduciary duties? Relevant considerations might be: what is the provider's relationship with Luton Rising? Is the provider bidding for work or being investigated? Is it a taxpayer-funded organisation? By offering hospitality (for example, in the form of a venue), does the provider gain special access to Luton Rising that it would not otherwise have?

22 . In matters of propriety, high standards are essential. These issues have been addressed in the First Report of the Committee on Standards in Public Life (the Nolan Report). As people working in a publicly-owned company, we are held to be in a position of trust in relation to the performance of our duties. Therefore, accepting disproportionately lavish, or over-frequent, offers of hospitality could risk a perception of not performing duties in an impartial manner or in good faith.

23 . In most cases, common sense will determine whether an offer of hospitality should be accepted. This Policy extends to events (such as conferences) sponsored

by firms with which we deal and must also be read alongside our Conflicts of Interest Policy and any additional guidance on engagements with external stakeholders.

24 . Specifically in relation to conferences and speaking engagements, consider whether attendance, or speaking, at the conference will result in a benefit to the individual (for example in the form of continuing professional education and development) and/or to Luton Rising.

25 . If it is considered beneficial for the company that an individual should speak at an event, then it may be acceptable for a third party to meet some or all of the related travel and/or accommodation costs incurred. However, any hospitality accepted in relation to speaking engagements should be limited to that needed for the individual to fulfil the engagement and directors or staff members should not accept hospitality that might be perceived as a personal reward for speaking at an event or additional to what is required to attend and speak.

26 . Furthermore, decisions about whether to accept hospitality related to speaking engagements are subject to the same general requirements set out at paragraph 21 above. Dinners provided by the event or conference sponsor as part of a speaking engagement are generally acceptable, provided they meet those requirements.

27 . Directors and staff members should be encouraged to attend receptions and conferences which offer an opportunity for networking. However, an event at which effective networking can take place with the wider community of interest is likely to be more acceptable than, for example, a private viewing at a gallery, attending the theatre, or other similar events even though the event may be hosted by, for example, consultancies or firms already engaged by Luton Rising, and even though the event might take place in prestigious surroundings. Hospitality that benefits the recipient personally – and cannot be said to develop relationships and outside contacts relevant to Luton Rising's work – should be politely declined.

28 . If you are invited to a reception as a partner or spouse, then this should still be disclosed in the same way, although more leniency may be shown over gaining permission to attend the event.

29 . Staff members at all levels within Luton Rising should seek approval from their line manager prior to committing to attend an event. In turn, the line manager should seek approval from a statutory director and budget clearance from the Chief Finance Officer

30 . Business contacts may also be personal friends. For the purposes of this Policy, hospitality that is clearly offered and accepted in a personal capacity does not need to be recorded. Relevant factors that may demonstrate that hospitality is being offered in a personal capacity will include whether the hospitality is being paid for by an individual (and not by a business or other organisation's expense account). However, you should still consider carefully whether hospitality offered, even in a personal capacity, should be accepted in circumstances where there may be an increased risk of actual or perceived bias arising as a result of accepting the hospitality.

31 . Under no circumstances should an offer of hospitality be accepted from an organisation that is participating in a procurement exercise that is being conducted by Luton Rising at the time the offer is made.

32 . Any questions concerning the application of this Policy to offers of hospitality should be directed to the Executive Director, Governance in the first instance.

Gifts

33 . Accepting a gift is normally less likely to make a significant contribution to building and maintaining working relationships than accepting hospitality and can more readily be mistaken as an attempt to exert influence. You should therefore carefully consider whether your acceptance of the gift would compromise, or be seen to compromise, your impartiality and your position of trust in the performance of your duties.

35 . Gifts should normally be refused or returned where you have direct involvement in decisions affecting the giver, or where they are estimated to be worth more than £25. Where a gift above the £25 threshold cannot be refused or returned without damaging relations, you should inform your line manager and the Executive Director, Governance in writing of the circumstances.

36 . Retention of accepted gifts by the recipient is at the discretion of the Executive Director, Governance. In reaching his or her decision, (s)he must consider whether the gift should be put to another use (i.e. donated to a charity or a library, displayed in public offices etc.) and the risks to the reputation of Luton Rising associated with the retention of the gift by an individual. In no circumstances may an individual sell an accepted gift for monetary gain.

37 . In addition to considering the general principles set out at paragraph 21 prior to accepting a gift, you should also consider the points below:

- The gift must be given for an appropriate reason.
- The gift must be given at an appropriate time (for example, not in advance of the award of a contract).
- The gift must be of a “one-off” or irregular nature (i.e. that could not be viewed as a regular source of income by the Inland Revenue).
- The details of the gift (whether accepted or not) should be fully recorded in the Gifts and Hospitality Register (the Register) (see paragraph 44 below).

38 . Gifts you keep may incur an income tax liability. Where a gift for you or your family, or series of gifts within one tax year, is worth over £50, or is in recognition of services, it should be declared to HMRC. You should also consult HMRC about customs duty on gifts from abroad. Further information can be found on HMRC’s website ([tax on trivial benefits](#)).

Making gifts

39 . It would not normally be appropriate for directors or staff members to give official gifts, but should this arise, in the most exceptional circumstances, the following points must be considered:

- Circumstances giving rise to the need for the gift and details of the recipient,
- Justification for the gift in terms of Luton Rising objectives,
- Description of the gift, which should be of an un-contentious nature, and
- Cost of the gift (which should be modest and not exceed the value of the gift received where it is reciprocal).

40 . Authority from a statutory director and the Chief Finance Officer must be sought prior to making gifts, and any gifts given should also be entered in the Register. These need to be accounted for in accordance with paragraph 43 below.

Reciprocal gifts

41 . Reciprocal gifting is not encouraged. However, there may be circumstances where the failure to give a gift would give offence. An example would be an official visit by foreign officials whose custom would be to give and/or receive a token of friendship or respect. In these circumstances, authority from a statutory director and the Chief Finance Officer must be sought, and the gift recorded in the Register.

42 . Depending on the circumstances and nature of the gift, shareholder approval may be needed. Gifts of an unusual nature, or those valued over £100 must be approved by the shareholder.

43 . When accounting for any expenditure on gifts, it is important that it is recorded against the specific account code for entertainment. This is to ensure that information on entertainment is recorded correctly and the true position can be stated in response to any questions.

Recording offers of hospitality or gifts

44 . Subject to paragraphs 45 and 47 below, all offers of hospitality or gifts, whether accepted or not, must be recorded on the Register. This includes any instance involving a personal friend where the purpose of the hospitality was to cover business and/or was paid for by the individual's company expense account. The Register is held and maintained by the Shared Services team.

45 . In general, it is not necessary to record:

- Attendance at functions hosted by Luton Council or where Luton Rising is a sponsor.
- Hospitality comprising minor refreshments (such as tea or coffee; sandwich lunches).

46 . Hospitality received from universities, public authorities, police forces and charitable or other organisations where Luton Rising is not a sponsor should be recorded.

47 . Offers of gifts valued at less than £25 need not be recorded.

48 . The Register should disclose (inter alia): the date; the individual making the disclosure; the organisation / individual making the offer; the nature of the offer; an estimate of value; advice, if any, provided by the Executive Director, Governance; and whether it was accepted or declined. In cases of doubt, the offer should be recorded.

49 . Team leaders must ensure that staff keep their entries in the Register up-to-date, as it may be subject to internal or external audit. The Company Secretary will assist directors in this respect.

50 . The Executive Director, Governance will ensure that procedures are in place to review the Register, as appropriate: to assess compliance with this Policy; to monitor whether there is the potential for any risk of a conflict of interest to arise; and to report to the Audit Committee on an annual basis.

Donations

51 . Donations to Luton Rising or a director or staff member (for example, a fee for a speech or a presentation) should not be accepted. It should be requested they are donated to a charity or other cause instead. It would be a conflict of interest to accept a donation when performing a duty or role on behalf of Luton Rising. Any queries on donations should be raised with the Executive Director, Governance.