

## **Ethics and Integrity – UK Regulation and Examples of Common Practice**

The organisation of Central Government and the Civil Service has evolved under the Royal Prerogative and does not have a codified statutory base in primary legislation. The Civil Service Order in Council gives the Minister for the Civil Service (the Prime Minister) the powers for controlling the conduct of the Service, including the making and amending of a Civil Service Code, the core principles of which are set out in the Civil Service Management Code. All civil servants are bound by the rules set out in the Civil Service Code and the wider Civil Service Management Code. The Codes form part of the conditions of employment of all civil servants and sets out the constitutional framework within which all civil servants work and the values they are expected to uphold. It is modelled on a draft originally put forward by the House of Commons Treasury and Civil Service Select Committee. It came into force on 1 January 1996 and was revised in 1999 to take account of devolution to Scotland and Wales.

The Civil Service Management Code sets out regulations and instructions to departments and agencies regarding the terms and conditions of service of civil servants. Where departments and agencies are given discretion to determine terms and conditions, the Code sets out the rules and principles which must be adhered to in the exercise of those discretions. The Code is supported by two directories of Civil Service Guidance which are designed to offer civil servants central guidance on a variety of topics from issues of fraud, receiving gifts and hospitality to duties of confidentiality. Although not exhaustive, the guidance is comprehensive and available electronically.

Departments rely on this central framework to design and develop their own guidance. The Cabinet Office provides an elaborated departmental version of the Code in the form of the Cabinet Office Management Code.

### **Information, Gifts & Hospitality & Procurement**

Civil servants are provided with examples of areas covered by this regulation in relation to the treatment of information and communication. This includes:

- Use and misuse of official information
- Participation in activities/making public statements
- Personal memoirs
- Code of practice on access to government information
- Participation in surveys and research
- Leaked select committee reports

Civil servants are bound by the provisions of criminal law, including the Official Secrets Act, which protect certain categories of official information, and by duty of confidentiality owed to the Crown. A basic guide to the Official Secrets Act 1989 is available to all staff. Civil servants will continue to be bound by these provisions when their employment as a civil servant ceases.

The acceptance of gifts or hospitality is covered in detail (Appendix I) in the Directory of

Civil Service Guidance and, for Cabinet Office staff, the Cabinet Office Management Code (other Government Departments have their own codes, but many of the measures and recommendations are similar).

This section within the Cabinet Office Management code considers ethical behaviour in the areas of:

Financial (e.g. directorships, employment, savings, debt or shareholdings) and non-financial (e.g. participation in outside activities) interests

Gifts

Travel perks

Hospitality

Giving gifts and hospitality

Recording the receipt of gifts/hospitality – disclosure of conflicts of interest

The Cabinet Office has produced flow charts (Appendices II & III) which guide civil servants through the decision making process when faced with a situation where gifts/hospitality are offered. Record forms are also available electronically to document the receipt of gifts/hospitality and to declare an individual's potential or actual conflict of interest. Cabinet Office staff can also disclose their level of financial insolvency via electronic means. Additional information regulating expenditure and payments supplements this area of conduct and behaviour. This also discusses any potential issues of propriety, giving detailed examples of the course of action to take and consider.

General rules on propriety are covered in a separate section which offers guidance on the use of official resources and property (Appendix IV), electronic communications and internet facilities (Appendix V) and external appointments and recruitment. Appendix VI contains the guidelines for Cabinet Office staff when considering outside appointments. Guidance for the approach towards political activities is available in addition to the examples outlined above.

Procurement rules are available via the Cabinet Office's Finance and Planning Manual which provides guidance based on how the Government asks civil servants to handle public money. The rules originate from the Treasury's Government Accounting guide, audit requirements, accounting and best practice. Cabinet Office also provides an electronic procurement manual which covers the rules on purchasing and awarding contracts via the intranet. This outlines how to apply propriety to the procurement process, the applicability of EU directives, identifying and selecting contractors, working with external consultants as well as the legal aspects of the purchase procedure. HM Treasury also provides guidance on Regularity and Propriety in a document published in 1997 - <http://www.hm-treasury.gov.uk/media/491/AA/162.pdf>.

Communicating the message is undertaken through a variety of media. Detailed information is available on departmental intranets, internal publications, training courses (including dilemma awareness training), workshops, annual reports to parliament to name but a few. New appointments to the civil service are also provided with a copy of the code of conduct.

### **Whistleblowing**

The Civil Service Code has rules on how unethical behaviour shall be reported whilst the Directory of Civil Service Guidance (Vol. II). Guidelines advise how information relating to impropriety can be reported and raised under the code of conduct.

The Code of Conduct states:

*Where a civil servant believes he or she is being required to act in a way which:*

*is illegal, improper, or unethical;*

*is in breach of constitutional convention or a professional code;*  
*may involve possible maladministration; or*  
*is otherwise inconsistent with this Code;*

*he or she should report the matter in accordance with procedures laid down in the appropriate guidance or rules of conduct for their department or Administration. A civil servant should also report to the appropriate authorities evidence of criminal or unlawful activity by others and may also report in accordance with the relevant procedures if he or she becomes aware of other breaches of this Code or is required to act in a way which, for him or her, raises a fundamental issue of conscience.*

*Where a civil servant has reported a matter covered in paragraph 11 of the Code of Conduct in accordance with the relevant procedures and believes that the response does not represent a reasonable response to the grounds of his or her concern, he or she may report the matter in writing to the Office of the Civil Service Commissioners*

*Civil servants should not seek to frustrate the policies, decisions or actions of the Administrations by declining to take, or abstaining from, action which flows from decisions by Ministers, Assembly Secretaries or the National Assembly as a body. Where a matter cannot be resolved by the procedures set out in paragraphs 11 and 12 above, on a basis which the civil servant concerned is able to accept, he or she should either carry out his or her instructions, or resign from the Civil Service. Civil servants should continue to observe their duties of confidentiality after they have left Crown employment.*

The Public Interest Disclosure Act came into force in July 1999 (the so-called ‘Whistleblowers Act’). The Act provides employees in both the private and public sectors with protection against victimisation should they blow the whistle in certain circumstances. It allows for disclosures to be made about crime, breach of a legal obligation, miscarriage of justice, danger to health and safety or the environment, and the cover up of any of these. Detailed guidance on how this Act applies to civil servants can be found in Volume II of the Directory of Civil Service Guidance.

The Civil Service Management Code states:

*‘Civil servants are servants of the Crown and owe a duty of loyal service to the Crown as their employer. Since constitutionally the Crown acts on the advice of Ministers who are answerable for their departments and agencies in Parliament, that duty is, subject to the provisions of the Civil Service Code at Annex A, owed to the duly constituted Government’*

Departments, agencies and devolved administrations in Scotland and Wales are responsible for their own disciplinary arrangements, and for the sanctions applied as a result of disciplinary proceedings, within the central framework set by the Minister for the Civil Service, and having regards to the various Codes of Practice which are given weight at Employment Tribunals. Information on conduct and discipline is contained in the Civil Service Management Code (Chapter 4) with additional information contained in the Directory of Civil Service Guidance (Volume I). The Cabinet Office has provided detailed examples of what constitutes misconduct (minor, serious and gross) with a range of examples that help define the gravity of the behaviour. Flow charts are also available to map out how managers will discipline an individual in the event of conduct being breached (appendix VII). Those who believe that the allegation of misconduct directed towards them is unfounded also have scope to appeal supported by step by step guides on the procedure and the course of action.

It is also worth mentioning the activities Committee on Standards in Public Life. The rules of propriety and regularity have been long established. However, following alleged breaches, a committee was established to look into standards in public life. Established in 1994, Lord Nolan chaired the committee, taking evidence from many public officials. The committee made many findings relating to

specific incidents but, as part of the report, looked at the wider and more general principles of propriety and regularity.

In his first report, Lord Nolan identified seven general principles or standards that public officials must adhere to in discharging their responsibility for taxpayers money. The principles are termed "The Seven Principles of Public Life". A copy of these values can be found in appendix VIII.

**Useful websites:**

For general information on the Cabinet Office –  
[www.cabinetoffice.gov.uk](http://www.cabinetoffice.gov.uk)

Civil Service Code -  
[http://www.cabinetoffice.gov.uk/propriety\\_and\\_ethics/civil\\_service/civil\\_service\\_code.asp](http://www.cabinetoffice.gov.uk/propriety_and_ethics/civil_service/civil_service_code.asp)

Civil Service Management Code –  
<http://www.cabinet-office.gov.uk/civilservice/managementcode/index.asp>

Directory of Civil Service Guidance (Volume 1) -  
[http://www.cabinetoffice.gov.uk/propriety\\_and\\_ethics/publications/pdf/csg-vol1.pdf](http://www.cabinetoffice.gov.uk/propriety_and_ethics/publications/pdf/csg-vol1.pdf)

Directory of Civil Service Guidance (Volume 2) -  
[http://www.cabinetoffice.gov.uk/propriety\\_and\\_ethics/publications/pdf/csg-vol2.pdf](http://www.cabinetoffice.gov.uk/propriety_and_ethics/publications/pdf/csg-vol2.pdf)

Propriety and Ethics –  
[http://www.cabinetoffice.gov.uk/propriety\\_and\\_ethics/index.asp](http://www.cabinetoffice.gov.uk/propriety_and_ethics/index.asp)

Committee for Standards in Public Life –  
[www.public-standards.gov.uk](http://www.public-standards.gov.uk)

## Appendix I

### **Cabinet Office Management Code: Acceptance of Gifts & Hospitality**

#### **1. Introduction**

1.1 The Civil Service Code says, "civil servants should not receive benefits of any kind from a third party which might reasonably be seen to compromise their personal judgement or integrity". The Committee on Standards in Public Life has highlighted that this is a sensitive area, where public criticism may focus as much on the nature and the extent of the benefits as on the strict test of whether some form of obligation has been created.

#### Key principles

- observe and be seen to observe the highest standards of propriety;
- guard against potential, actual, or perceived conflicts of interest;
- keep a record of what you do, and of who has approved what you do;
- if in doubt, ask for guidance;
- use your common sense.

#### **2. Financial and Non-financial Interests**

2.1 An actual, potential or perceived conflict of interest may arise where your impartiality in performing your official duties is called into question because you have an interest in an area affected by, or affecting, those official duties.

2.2 **Financial interests** may include directorships, employment and self-employment, and shareholdings/other investments. For example, you should consider:

- any shares you hold in a particular company or corporate bonds(1) (whether held directly or indirectly via a PEP or ISA);
- unit trust or trust holdings<sup>1</sup>;
- personal or stakeholder pensions (including Added Voluntary Contributions);
- insurance products (including friendly assurance bonds);
- bank or building society accounts(2) ;
- gilt-edged stocks or National Savings products(2);
- loans outstanding to particular banks, building societies or consumer credit companies(1);

tax allowances that impact on you or your immediate families.

- (1) in excess of 5,000
- (2) in excess of 20,000

2.3 In most cases the impact of a particular action on your financial position will be small; and a real or perceived financial interest is unlikely to arise. But in any case of doubt, you should discuss the issue with your SCS line manager and any decision to proceed should be recorded.

2.4 **Non-financial** interests may include active involvement in outside organisation, including clubs and charities. You should also apply these principles to the financial and non-financial interests of your immediate family members spouse or partner, parents and children.

2.5 It is, of course, a disciplinary offence to

- use your official position to further your private interests, or the interests of others;
- misuse information acquired in the course of your official duties; or

disclose information which is held in confidence.

2.6 The HR Code [available online to all Cabinet Office staff] describes the disciplinary procedures and the penalties which may be applied:

**Remember:**

If your work could lead to either a real or perceived conflict of interest, record all your significant financial and non-financial interests with your Head of Management Unit.

Also tell your Head of Management Unit if you become bankrupt or insolvent (because this might lead to a perception that you are susceptible to pressure, and it is important to protect yourself against that perception).

**3. Gifts Remember**

3.1 In accepting gifts, civil servants must consider propriety generally and in particular whether acceptance would give rise to an actual, potential or perceived conflict of interest.

3.2 If you are in any doubt about the propriety of accepting a gift, it is wise not to.

3.3 Do not accept a gift unless:

it is a trivial item (an inexpensive pen, calendar, diary, etc);

refusing it would cause embarrassment or offence to the donor (for example, a gift offered as part of an inter-governmental visit)

3.4 If you need to refuse a gift, explain politely that civil servants are not allowed to accept significant gifts.

3.5 If you do accept a gift, it may well be wise to explain to the donor that you are accepting it on behalf of the Cabinet Office, rather than personally. This makes clear to the donor, and anyone else, that you are gaining no personal advantage from the gift.

3.6 Record all offers of gifts (**including offers which you do not accept**) with your Head of Management Unit (HMU) or a nominated member of the SCS for your Unit. (Some HMUs may allow you not to record offers of trivial items or other items with a value of less than 25.00. Failing to record the acceptance of a gift in line with your HMUs instructions is a disciplinary offence. The online HR Code describes the disciplinary procedures and the penalties which may be applied.

3.7 You may keep a trivial gift (an inexpensive pen, calendar, diary, etc).

3.8 You may not keep any other gift without the agreement of your SCS line manager. Your SCS line manager may allow you to keep a gift, **provided** its retail value is not more than:

£25 for general items;

£50 for gifts to a team, to be kept by the team as a whole;

£75 for gifts from an overseas government or international organisation (eg OECD, NATO).

Financial Management Division can arrange for items to be valued if you are not sure how much they are worth.

3.9 If the gift is worth more than the sums set out above,

and you want to keep it, and your SCS line manager agrees that you can, then you must pay the Cabinet Office (the difference between the sum set out above

and the items retail value; or with agreement as above, the gift may be kept within your Unit for general office use or display. (In such cases, it may need to be

recorded on the Departments asset register).

3.10 If you don't want to keep a gift, or your SCS line manager doesn't agree that you should keep it, you must surrender the gift to Financial Management Division who will arrange for its disposal.

3.11 If you accept a gift while you are abroad, or a gift sent from abroad, you need to consider whether or not you need to declare it to Customs and Excise:

if you accept the gift on behalf of the Cabinet Office (ie you do not intend to keep it yourself), it is not liable to duty or VAT; but you must declare it when you

return to the UK, and provide evidence that you were on an official visit. if you intend to keep the gift yourself, you must declare it to Customs on returning to

the UK **if** the total value of all the items you have acquired abroad, including any gifts, exceeds the normal allowances (as at 1 April 2001, no limit from EU

countries; 145 from other countries). If you accept a gift that has been imported from abroad, consult the Customs and Excise Advice Centre about any liability

to duty and VAT.

#### **4. Travel "Perks"**

##### **Remember**

4.1 If you get air miles, discounted or free tickets, upgrade vouchers, etc as a result of travelling on official business, you must not use them on your private travel

4.2 You may, however, use them on future official travel.

4.3 If you can't use them on your own official travel:

if (like most air mile points) they are not transferable, you must not use them. You may donate them to a charity of the travel operators choice, if the travel operator operates a donation scheme; if they are transferable, pass them to your Local Finance Officer and they will be used by other Cabinet Office employees on official travel.

#### **5. Hospitality**

##### **Remember**

5.1 There cannot be hard and fast rules about when to accept or decline offers of hospitality. This is an area where it is wise to consult your manager and others if you are at all unsure. You will want to consider both the Cabinet Offices position, and your own personal position.

5.2 However, always consider the following:

will your accepting the hospitality be in the Cabinet Offices interests? Will it help the Cabinet Office achieve its objectives?

will accepting the hospitality enable you to conduct official business? If the hospitality appears to be on a significant scale, is it really the best way to get the business done?

is this an occasion where you need to accept the hospitality because the Cabinet Office ought to be represented? If so, make sure your manager agrees; and make sure the Cabinet Office is not **over**-represented!

does the hospitality **look** generous (whatever its actual cost to the provider)? Can you justify accepting that sort of hospitality? (In general, think very hard before accepting invitations to any major sporting or arts event.)

are you accepting this hospitality, or hospitality from this source, more often than would be regarded as normal or reasonable?

do you know anything about the source of this hospitality and its relationship with



the Government in general, or the Cabinet Office in particular, which could give rise to potential for embarrassment if you accepted the hospitality (eg, is the individual or organisation bidding for, or carrying out, work for the Cabinet Office? Are they under investigation, or being criticised, by the Government?)

5.3 You should record all instances where you **accept** hospitality with your Head of Management Unit. It is up to your HMU to decide whether or not you should also record all **offers** of hospitality which you do **not** accept. Failure to record the acceptance of hospitality in line with your HMUs instruction is a disciplinary offence. The online HR Code describes the disciplinary procedures and the penalties which may be applied.

There is no need to record cups of tea and coffee! But do record "working lunches", etc, provided by non-Government individuals and organisations.

There is no need to record attendance at functions hosted by HM Government (eg an official dinner to mark an occasion, a Charter Mark award ceremony, etc);

There is no need to record attendance at "diplomatic" functions in the UK or abroad, hosted by overseas governments or international organisations (eg OECD, NATO);

If you are part of a group or team of people (eg a Minister plus officials) who accept hospitality, only one record need be made there is no need for each individual to make a separate record. But make sure that **someone** makes a record on behalf of the group/team!

## **6. Giving Hospitality and Gifts**

6.1 The rules on **providing hospitality** are in the [Finance and Planning Manual, Chapter 4.5](#).

6.2 The rules on the **giving of gifts** are set out in the [Finance and Planning Manual, Chapter 4.6](#).

## **7. Records**

7.1 Heads of Management Units are responsible for putting in place appropriate arrangements to record:

declaration of actual/potential conflicts of interest (including reports of bankruptcy/insolvency);

offers, acceptances and disposal of gifts;

offers and acceptances of hospitality.

7.2 HMUs must ensure that records are comprehensive and up to date the Cabinet Office may be asked at short notice to give detailed information based upon them.

7.3 There will be an annual audit of the records on behalf of the Managing Director.

7.4 Sample record forms are available on Cabweb.

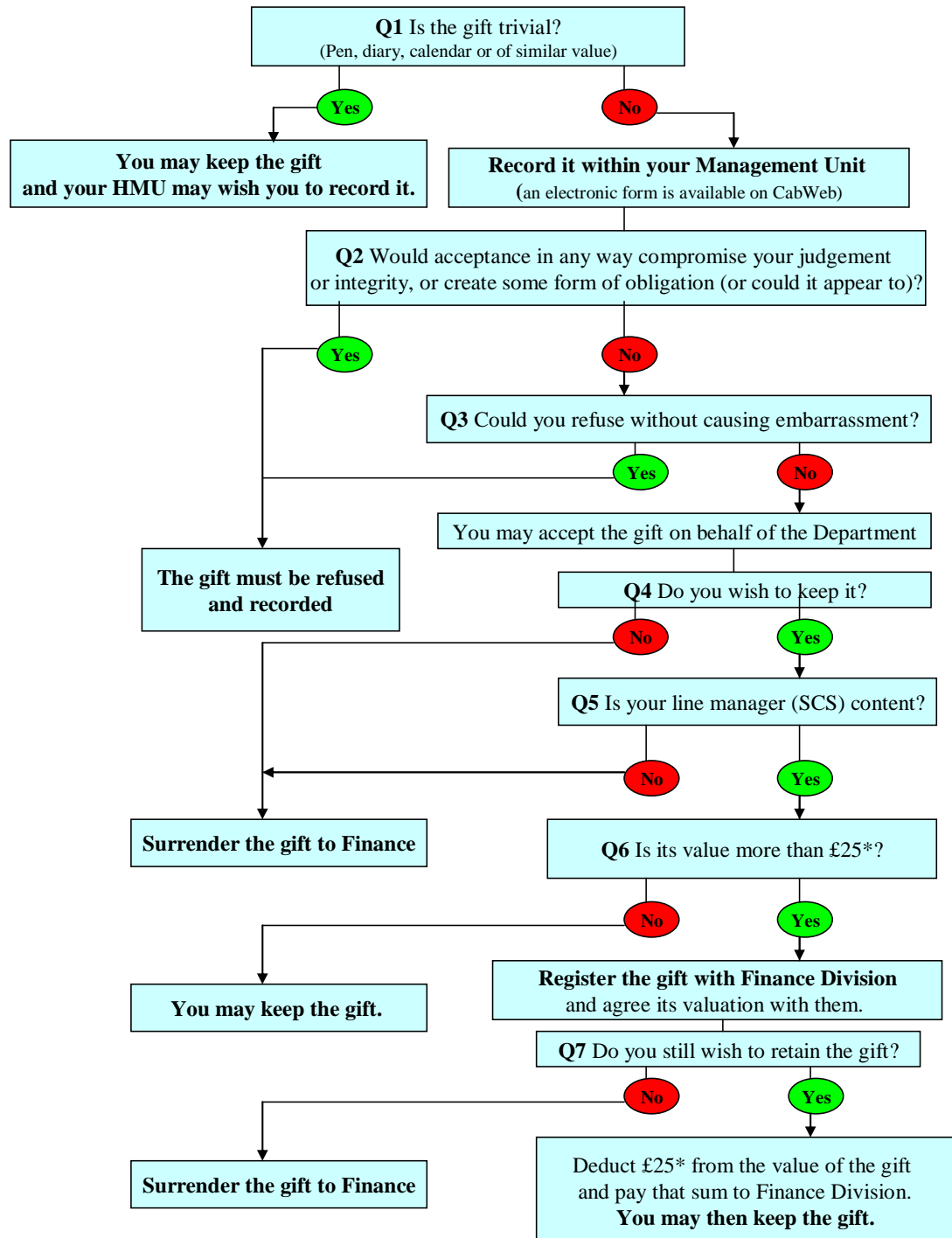
7.5 HMUs may chose to use a different means of record keeping, as long as they ensure the necessary information (that is, the information on the sample record form) is available.

**Appendix II**

**Acceptance of Gifts - Flow Chart**

Appendix A

**What Should I Do If I Am Offered a Gift?**



*For further advice please contact the Personnel Policy Team  
Cabinet Office March 2001*

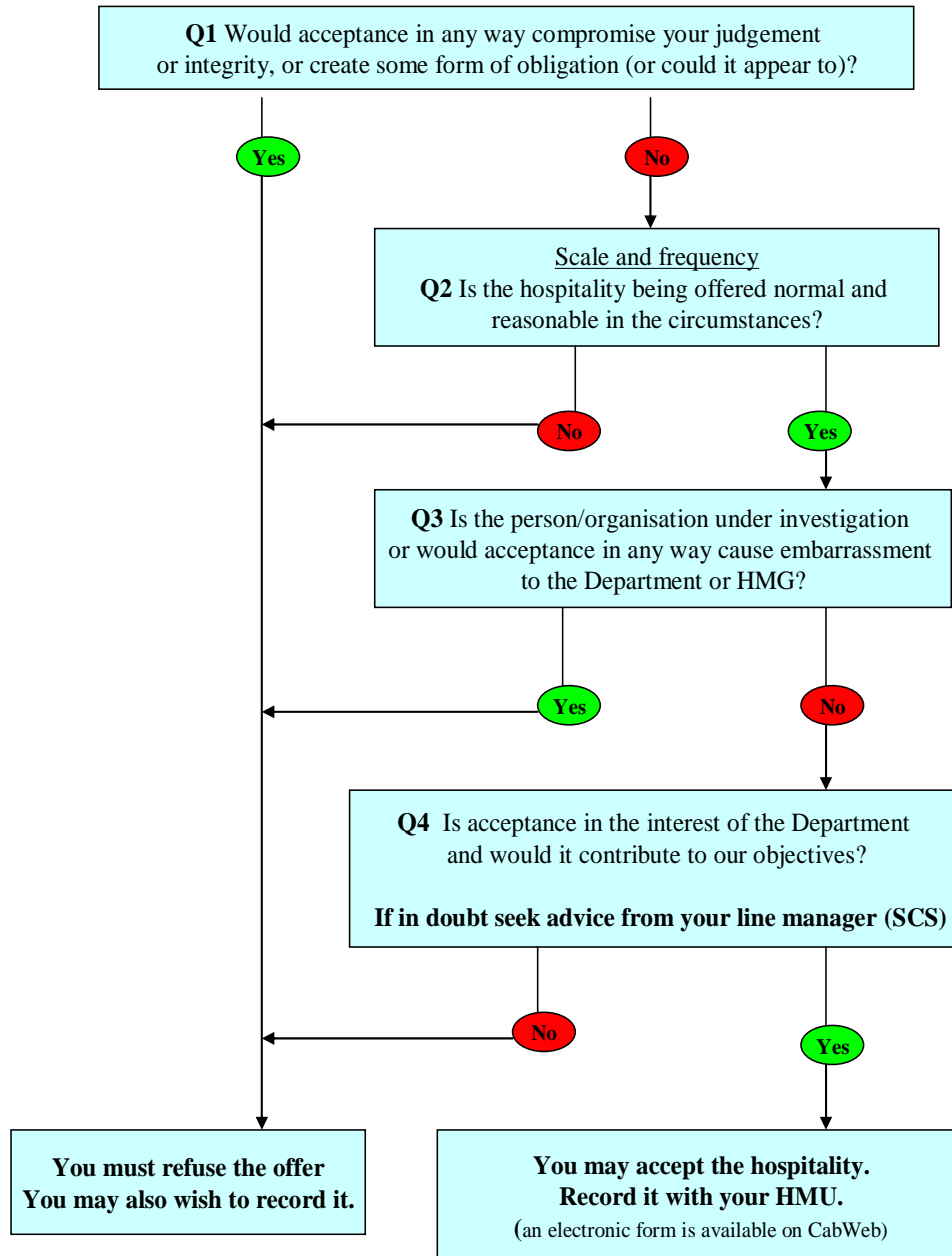
*\* £75 if from an overseas government  
or £50 for a group gift.*

**Appendix III**

**Acceptance of Hospitality – Flow chart**

Appendix B

**What Should I Do If I Am Offered Hospitality?**



*For further advice please contact the Personnel Policy Team  
Cabinet Office March 2001*

## Appendix IV

### Official Property

Official property, including stationery, must not be used for private purposes or removed from the office without permission. Theft of Cabinet Office property will be treated as a disciplinary offence and may lead to prosecution.

## Appendix V

### **Electronic Communications**

The following rules and guidelines cover usage of all the Departments electronic communications facilities. These facilities are provided to help you to do your job effectively and efficiently. There may be times when you wish to use them for personal reasons. And whether for official or personal reasons there are rules and prohibitions of which you should be aware.

#### **Personal Use**

Occasional and reasonable personal use of official telephones (except for mobile phones), fax machines, e-mail and the Internet is allowed, without charge. If you use an official mobile phone for a personal call you must declare and pay for it. You should not use official communications facilities for long personal calls or for personal international calls. Wherever possible you should use the GTN.

#### **Restrictions and Monitoring**

##### **Blocked sites**

The Department has installed software that will block access to some web sites and Internet accounts (for example, Hotmail) and sites that contain sexually explicit material.

This software will block the use of web-based e-mail systems **accessed via Internet Explorer**, because such access would not provide an audit trail. However, you may send and receive e-mails to and from web-based systems using Outlook.

##### **Monitoring**

The Cabinet Offices computer systems may be monitored and communications carried on them recorded, to secure the effective operation of the system and for other lawful purposes. The following pop-up message reminding you about monitoring will appear every time you log onto the system. A similar message will also appear in all correspondence to outside users originating from the system.

**The Cabinet Offices computer systems may be monitored and communications carried on them recorded, to secure the effective operation of the system and for other lawful purposes.**

**Contravention of the Department's rules on use of electronic communications at work (Cabinet Office Management Code, Chapter 5) may lead to disciplinary action.**

The Departments routine monitoring is an automated process, which checks for keywords only. The purpose of this monitoring is to ensure that the system is being used legally and in accordance with the Departments rules. The content of e-mails will only be monitored manually where there is reasonable cause to suspect that a breach has occurred.

There is a list below of common sense things that you must not do when using the Internet or e-mail. Most of them are illegal, some threaten the integrity of our communications systems.

You must not:

use the Internet to visit, view, download or print inappropriate images, or install an

inappropriate image as a screensaver or wallpaper;  
use e-mail (or the telephone) for harassment (as defined in ON(99)16);  
search for, send or solicit racist, obscene or other inappropriate materials;  
send messages which could be regarded as being defamatory, discriminatory or offensive including disparagement of others based on their race, nationality, gender, sexual orientation, age, disability, religious or political beliefs;  
process (eg collect, store or disclose) personal data in breach of the Data Protection Act<sup>2</sup>;  
disseminate, download or print materials in violation of copyright<sup>3</sup> or other intellectual property laws;  
send bulk e-mail or chain letters for personal use; or  
use your PC for 'hacking' or other unlawful activities.

- "Inappropriate" is defined as including image or other material, which is pornographic, obscene, or is otherwise contrary to accepted standards of decency.

## **Appendix VI**

### **Guidance on Outside Appointments**

1. The rules are designed primarily to counter any suspicion that an appointment might be a "reward for past favours" granted by the applicant to the employer, or that a particular employer might gain an unfair advantage over its competitors by employing someone who had access to what they might legitimately regard as their own "trade secrets".
2. An appointment might also be sensitive because of the employer's relationship with the Department and because of the nature of any information which the applicant possesses about Government policy.
3. While appointments must not only be, but also be seen to be, free from reproach and Departments must therefore take account of public perception, Departments should be prepared to defend an appointment which they were otherwise willing to approve when public concern can be shown to be unjustifiable.

### **The employer and the applicant**

4. In most cases problems will occur only if the applicant has had some degree of contact with the prospective employer, giving rise to criticism that the post is a "reward for past favours". Departments are asked to take the following into account:

how much of the contact was in the course of official duties;  
how significant was the contact;  
the nature of the proposed employment;  
the connection between the new job and the applicant's previous official duties.

5. In order to establish whether the applicant was able to exert any degree of influence over the outcome of contractual or other dealings with the prospective employers, Departments are advised to establish:

whether the individual was acting as a member of a team, jointly with other individuals in the Department or in Government more widely, or taking sole responsibility;

whether the employer benefited substantially from such dealings;

whether contact was direct;

whether it was indirect (i.e. through those for whom the applicant was responsible, whether or not they normally worked for him or her).

6. Departments are advised to take into account contacts in the course of official duty which have taken place:

at any time in the two years before resignation or retirement;

earlier, where the association was of a continued or repeated nature.

7. Departments are advised to consider in particular whether the applicant has been:

dealing with the receipt of tenders from the employer;

dealing with the award of contracts to the employer;

dealing with the administration or monitoring of contracts with the employer;

giving professional or technical advice about such contracts whether before or after they were awarded;

involved in dealings of an official but non-contractual nature with the employer (this is particularly important in the circumstances set out in paragraph 9 below).

8. Departments should consider the circumstances of an applicant's departure as a component of considering each application on its merits. Staff-reduction policies will not justify reducing standards of propriety, or any weakening of the element of protection which the rules offer to third parties in respect of trade secrets. If a civil servant is asked to retire, or is offered early retirement, at relatively short notice, or is unexpectedly made redundant, any presumption that he or she had been paving the way to subsequent employment by offering favours to potential employers may largely be removed. Conversely a protracted period of uncertainty might heighten concerns that individuals were anticipating redundancy by cultivating potential employers improperly. On balance, where Departments and Agencies intend to reduce numbers during a relatively short period of a year or so, unexpected departures should normally be considered as a factor mitigating any concerns on grounds of rewards.

### **The employer and the Government**

9. The relationship of the prospective employer to the Government may be a relevant factor in considering applications. Departments are advised to pay special attention to appointments where the employer:

has a contractual relationship with the Department;

is regulated by the Department;

receives subsidies, loans, guarantees or other forms of financial assistance from the Department;

is one in which the Government is a shareholder; or

is one with which departments or branches of Government or the Armed Services are, as a matter of course, in a special relationship.

### **Overseas employers**

10. The same considerations apply to foreign publicly-owned institutions or companies as to their UK counterparts. If the prospective employer is a foreign government, Departments are advised to consider whether the applicant has information that would benefit that government to the detriment of HM Government or its allies. This can arise where the person:

has been giving advice to HM Government on policies affecting the foreign government; or

would have been in a position to gain special knowledge of HM Government's policies and intentions concerning the foreign Government.

### **Government policy or business**

11. Many Crown servants deal with private interests on behalf of the Government. They have special knowledge of how the Government would be likely to react in particular circumstances. Departments are advised to consider whether the application could be, or could be thought to be, significantly helpful to the employer in dealing with matters where policy is developing or legislation is being prepared in a way which might disadvantage competitors of that employer. This applies in particular to specific areas where:

there has been a negotiating relationship between the Department and the employer;

the applicant has been involved in policy discussions within the Department leading to a decision of considerable benefit to the employer;

the applicant has been involved in policy discussions within the Department, knowledge of which might give the employer an improper advantage over its competitors; or

where there is a risk of public criticism that the applicant might have scope to exploit contacts in his or her former Department for commercial purposes.

In such cases, Departments are asked to consider the implications of the applicant's joining the employer, and be guided accordingly.

### **The employer and competitors' trade secrets**

12. Appointments might be criticised on the grounds that the applicant had access to information about his or her prospective employer's competitors which they could legitimately regard as "trade secrets". Concern on this score can arise whether or not the applicant has had previous dealings with the prospective employer. Departments are strongly advised to consult competitors as a matter of course preferably using a standard letter based on the Cabinet Office model letter, to see whether they have any objections to the appointment.

### **Consultancies**

13. Individuals who are to be employed on a consultancy basis (either for a firm of consultants or as an independent, self-employed consultant, competing for commissions in the open market - a "brass plate" consultancy) should be treated in the same way as other applicants under the rules. Extra care is needed, however, in dealing with such applications.

14. In the case of an applicant wishing to take up a salaried appointment with a firm of consultants, the "rewards for past favours" issue will relate almost exclusively to the nature of any previous dealings between the applicant and the firm he or she is seeking to join. Departments will, however, need to consider the "trade secrets" question both from the point of view of any competitors of the consultancy firm and then, more generally from the point of view of the service which the applicant will be offering on behalf of the consultant. It may be necessary to impose conditions on the appointment to protect the "trade secrets" of firms with which the applicant or the Department had dealings.

15. Where an applicant wishes to set up a "brass plate" consultancy, the question of "rewards for past favours" does not arise in the usual way. However, Departments will wish to keep in mind the need:

to counter any suspicion of impropriety that might arise if such individuals were to be given lucrative contracts by clients with which they or their former Departments had dealings; and

to protect "trade secrets" to which such individuals may have had access. There may be circumstances in which it would be undesirable for an independent consultant to offer services to a particular client where he or she has had access to the trade secrets of a competitor of the client. The fact that the competitor might also be free to use the same consultant, but did not choose to do so would not make the information any less sensitive or negate the potential advantage which could be gained by the client.

In approving applications to set up "brass plate" consultancies, Departments will therefore need to consider carefully the imposition of conditions in cases where such considerations apply.

16. Departments will also need to consider whether to apply conditions limiting contacts between applicants proposing to work as consultants and their former Departments. This may be particularly relevant in the case of staff at senior levels, where there is a risk of public criticism that they could be exploiting contacts in their former Departments for commercial purposes.

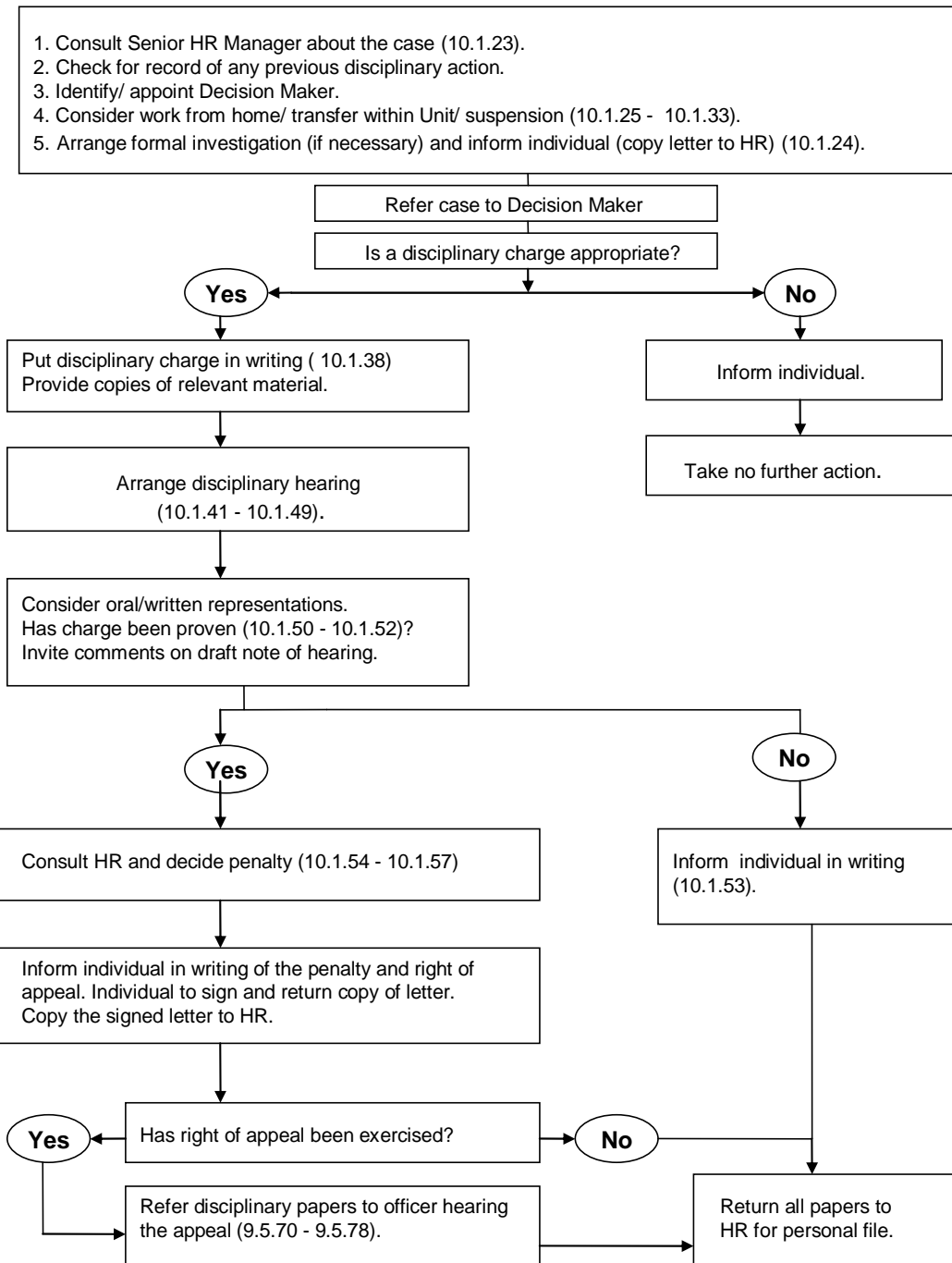


**Appendix VII**

**Misconduct & Discipline**

**Disciplinary Procedure Flowchart No 2  
Action for Line Manager - serious/gross misconduct**

Appendix B2



## **Appendix VIII**

### **Seven Principles of Public Life**

#### **Selflessness**

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material 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 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 principle by leadership and example.

These principles apply to all aspects of public life. The Committee has set them out for the benefit of all who serve the public in any way.