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INDEPENDENT BROADCASTING AUTHORITY

70 Brompton Road London SW3 1EY Tel: 01-584 7011 Telex: 24345

10th August, 1984

*DMB
20/8*

PPS

Dear Mr. Barclay,

Many thanks for your letter of 7th August and I am most grateful to you for your kindness in pursuing my enquiry about acceptances of gifts and rewards particularly when, as I know, you are so busy.

I am sure that the guidance note will be helpful.

Yours sincerely,

Barbara Hosking

Barbara Hosking
Controller of
Information Services

David Barclay, Esq.,
Private Secretary to
Mr. F.E.R. Butler,
10 Downing Street,
London, SW1

Cabinet: Questions of Procedure for Minutes
Pt 2



OXFORD
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FILE

(DCAAEL)

10 DOWNING STREET

From the Private Secretary

7 August 1984

I am sorry not to have sent a full reply before now to your letter of 16 July.

I am afraid that your request for a speaker has put Whitehall in something of a quandary. Surprisingly perhaps the number of people dealing with this subject is very small, and there is no obvious candidate who could come and talk to the Royal College of Physicians. But I thought you might at least find it helpful to have the enclosed summary of the rules that apply to Civil Servants - rules which apply to Ministers are broadly similar.

If you would like further details, you may wish to contact the Private Secretary to the Secretary to the Cabinet. He is Richard Hatfield, and can be reached on 01-233-8319.

David Barclay

Miss Barbara Hosking

ACCEPTANCE OF GIFTS AND REWARDS : GUIDANCE FOR CIVIL SERVANTSGeneral

Civil Servants are expected to bear in mind the need to avoid giving any impression either to the public or to those with whom they deal that they may be influenced in the conduct of their duty by any gift or consideration. An officer must not accept any gift either from a member of the public, or from an organisation with which he deals in the course of his official duty, except in the following circumstances:

- a) Isolated gifts of a trivial character, or inexpensive seasonal gifts (such as calendars).
- b) Conventional hospitality provided that it is limited to what is normal and reasonable.

In cases of doubt, Civil Servants are expected to consult their Establishment Officer.

Gifts from Overseas Governments

There may sometimes be difficulty in refusing a gift from an overseas Government or Government organisation without the risk of apparent discourtesy. Where a gift is accepted for this reason the following rules apply:

- a) Its receipt must be reported to the Establishment Officer.
- b) Following acceptance the gift may be sold; displayed or used in the Department if appropriate; retained in the Department for later sale when the risk of discourtesy is small; or, exceptionally and if the gift is worth less than £75.00, the recipient may be allowed to retain it.



DCAAEM

10 DOWNING STREET

From the Private Secretary

MR. HATFIELD (on return)
CABINET OFFICE

Thank you very much for your advice in your minute of 6 August on the rules which govern gifts to Civil Servants.

In view of your obvious expertise, and indeed enthusiasm for the subject, I have passed on your name and telephone number to Miss Hosking, together with a summary of the Civil Service rules.

(David Barclay)

7 August 1984



Ref. A084/2276

MR BARCLAY

You wrote to me on ~~17~~ July asking whether we could assist the Royal College of Physicians over guidance on the acceptance of gifts.

2. As you know, the rules applying to Ministers are set out in Questions of Procedure for Ministers. However, Questions of Procedure is classified CONFIDENTIAL and, in any case, I doubt whether Ministers are really the best parallel for Physicians; perhaps Civil Servants would be a more appropriate example (the rules are very similar to those for Ministers).

3. I attach a copy of the relevant section of the Civil Service Code (paragraphs 9882-9885) which is not classified in any way. Nevertheless, I suggest that you might want to paraphrase it or put into ordinary English before passing it on. I would have done so myself (of course) but I had not time to do so before going on my (very well earned) leave.

4. Incidentally, I would have offered to speak but I doubt if they could afford the fee.

Carl Bowdery

pp. R P HATFIELD

6 August 1984



Cabinet : procedure
Pt 2

GOVERNMENT OF INDIA

III

SALES TO CIVIL SERVANTS

9876 Civil servants are of course free to buy articles of Government property which are on general public sale; for example, HMSO publications. They are also permitted to buy surplus Government articles which may be offered by departments for sale to the public unless:

- a. they have, because of their official position, been able to obtain special knowledge about the condition of the goods to be sold: or
- b. they have been officially associated with the disposal arrangements.

9877 When goods are disposed of privately to civil servants by departments there is a risk of criticism that the purchasers are receiving a benefit denied to the general public; a low price, for example, or access to goods in short supply. If a department wishes to make a private sale of Government property to a civil servant it should ensure that the transaction can give no grounds for suspicion of this kind. In particular the price should be no less than would have been charged to a member of the public.

9878 A civil servant who is not sure whether it would be proper for him to buy an article should consult his Establishment Officer.

HANDLING OF CONTRACTS AND PURCHASES FROM CIVIL SERVANTS

9879 No Government contract may be let to a Government servant in the Contracting department, or to any partnership of which he is a member (except to a corporation in which he is a shareholder), or to any company of which he is a Director (except as a nominee of the Government) unless he has disclosed fully the measure of his interest in the contract and the Permanent Head of his department has given permission for the letting of the contract to proceed. No Government servant may accept a directorship, except as a nominee of the Government or with the express permission of the Permanent Head of his department, in any company holding a contract with his department. An officer who comes into official contact with any matter concerning a business organisation in which he has an interest must disclose his interest to the Permanent Head of department and ask that some other officer may deal with the matter. Similar considerations of potential conflict of interest will be relevant when a civil servant proposes to sell goods to a Government department.

9880-9881 unallocated

ACCEPTANCE OF GIFTS AND REWARDS

9882 The behaviour of officers as regards the acceptance of gifts, hospitality etc should be governed by the following general guidance. The conduct of a civil servant should not foster the suspicion of a conflict of interest. Officers should therefore always have in mind the need not to give the impression to any member of the public or organisation with whom they deal, or to their colleagues, that they may be influenced, or have in fact been influenced, by any gift or consideration to show favour or disfavour to any person or organisation whilst acting in an official capacity. An officer must not, either directly or indirectly, accept any gift, reward or benefit from any member of the public or organisation with whom he has been brought into contact by reason of his official duties. The only exceptions to this rule are as follows:

- a. isolated gifts of a trivial character or inexpensive seasonal gifts (such as calendars);
- b. conventional hospitality, provided it is normal and reasonable in the circumstances. In considering what is normal and reasonable, regard should be had:
 - i. to the degree of narrow personal involvement. There is of course no objection to the acceptance of, for example, an invitation to the annual dinner of a large trade association or similar body with which a department is much in day to day contact; or of working lunches (provided the frequency is reasonable) in the course of official visits;

General Principles of Conduct
paragraphs 9882 to 9893

ii. to the usual conventions of returning hospitality, at least to some degree. The isolated acceptance of, for example, a meal would not offend the rule whereas acceptance of frequent or regular invitations to lunch or dinner on a wholly one-sided basis even on a small scale might give rise to a breach of the standard of conduct required.

9883 If, in the application of these exceptions, an officer has any doubts about the propriety of himself or a member of his family accepting any gift, reward or benefit he must consult his Establishment Officer. Similarly, should an officer feel that there are circumstances surrounding a particular gift or occasion which are not covered by the exceptions but which merit special consideration, he should consult his Establishment Officer at the earliest opportunity.

9884 The preceding paragraphs relate to the Civil Service code of conduct in regard to acceptance of gifts and hospitality. Irrespective of that, it is an offence under the Prevention of Corruption Act 1906 for an officer corruptly to accept any gift or consideration as an inducement or reward for:

- a. doing, or refraining from doing, anything in his official capacity; or
- b. showing favour or disfavour to any person in his official capacity.

9885 Furthermore, under the Prevention of Corruption Act 1916, any money, gift or consideration received by an officer 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 officer proves the contrary.

9886-9881 unallocated

Gifts from Overseas Governments etc.

9892 It is possible that there may be difficulty about refusing a gift from an overseas Government or government organisation without the risk of apparent discourtesy. Although the principles set out above apply generally to such gifts, on some occasions it may be necessary that a gift should be offered in return. In such cases guidance should be obtained from the Foreign and Commonwealth Office and also, on those occasions when the proposed gifts have very substantial value, from the Civil Service Department.

9893 If a gift is accepted the following rules apply:-

- a. Its receipt should, in all cases, be reported to the Establishment Officer.
- b. When the acceptance of a gift is reported, it is open to the department to follow one of the following courses:
 - i. the gift may be disposed of by sale;
 - ii. it may be displayed or used in the department where this is appropriate;
 - iii. if the disposal of the gift would cause offence or if it might be appropriate for the recipient to use or display the gift on some future occasion as a mark of politeness, the gift should be retained in the department against these considerations for up to 5 years;
 - iv. if the gift is of small value (which should not in any case exceed £50) the recipient may in appropriate cases be allowed to retain it. £75
- c. In all cases of gifts imported by or on behalf of the recipient or sent to him from abroad, liability to duty and Value Added Tax should be resolved with HM Customs & Excise (International Customs Division C). The Department must be consulted also if, having been relieved of duty and tax at the time of importation, the gift is to be disposed of within 2 years. This responsibility lies with the individual officer if he has been allowed to retain the gift.

If there is any doubt about the disposal of a gift, the department should consult the Civil Service Department (PM5 Division).

Ref. A084/2276

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6 August 1984

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10 DOWNING STREET

From the Private Secretary

17 July, 1984.

I enclose a copy of a letter which a former member of the No.10 staff has sent to us in confidence. She asks whether Whitehall could provide a speaker to assist the Royal College of Physicians by talking to them privately about the Government rules on the acceptance of gifts.

BF |

I should be grateful to know whether you could suggest a name which I could put forward in reply.

David Barclay

Richard Hatfield, Esq.,
Cabinet Office.



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10 DOWNING STREET

From the Private Secretary

17 July, 1984.

Many thanks for your letter of 16 July.

As you no doubt used to say when you were here, "I am making enquiries, and will come back to you as soon as possible".

Robin Butler sends his regards. He was pleased to hear from you again.

David Barclay

Miss Barbara Hosking



INDEPENDENT BROADCASTING AUTHORITY

70 Brompton Road London SW3 1EY Tel: 01-584 7011 Telex: 24345

BARBARA HOSKING
Head of Information

16th July, 1984

David

Yes.

FERS

CONFIDENTIAL

Dear Private Secretary,

I am writing to ask your advice on a private matter. This letter is therefore written in confidence.

A colleague of mine is a lay-member of an advisory committee to the Royal College of Physicians. The College is at present considering their professional ethics, particularly in relation to the sometimes embarrassing generosity of pharmaceutical companies. I have been able to suggest speakers who could talk privately about the rules which are observed by our television and radio programme-makers. However, I have also been asked to suggest how to find a speaker from Whitehall.

When, many years ago, I was at No. 10 there were I remember some very useful rules about the circumstances and cost of presents offered to Ministers. I should be most grateful if I could be pointed in the right direction so that I can find a speaker who would be prepared privately to discuss this problem with the Royal College.

Kind regards to Robin,

Yours sincerely,

Barbara Hosking

Private Secretary to
Mr. F.E.R. Butler,
Principal Private Secretary
to the Prime Minister,
10 Downing Street,
London, SW1

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CONSTITUTION

III

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