

CAMBRIDGE CITY COUNCIL

REPORT OF: DIRECTOR OF RESOURCES

TO: CIVIC AFFAIRS COMMITTEE

26/06/13

WARDS: All

ANNUAL REPORT ON PREVENTION OF FRAUD & CORRUPTION POLICY AND IMPLEMENTATION OF THE REQUIREMENTS OF THE BRIBERY ACT 2010

1 Introduction

- 1.1 In previous years an annual report has been made to the Council's Standards Committee to review the Council's Prevention of Fraud & Corruption (PFC) Policy and to provide Members of the Committee with a summary of fraud/whistle-blowing activity during the year.
- 1.2 With the decommissioning of Standards Committee in July 2012, this report was not produced last year. The last report on the PFC Policy was made in June 2011, where it was agreed that an addendum would be added to the Policy to cover the implications of the Bribery Act.
- 1.3 The purpose of this report is to provide Members of Civic Affairs with:
- a) An overview of the Bribery Act 2010 and its implications for the City Council, including a review of the PFC Policy (and addendum) and the relevant sections of the Officer Code of Conduct;
 - b) A summary of fraud/whistle-blowing activity during 2011-12 and 2012-13.

2 Recommendations

Members of Civic Affairs Committee are asked to:

- 2.1 Approve the changes to the Prevention of Fraud & Corruption (PFC) Policy and the content of the addendum to the PFC Policy (Appendix 1), plus the changes proposed to the Officer Code of Conduct (Appendix 2), to reflect the requirements of the Bribery Act.
- 2.2 Approve the amendments proposed to the Officer Code of Conduct to reflect the changes made to the guidance on gifts and hospitality and declarations of conflicts of interest.

- 2.3 Note the details of fraud/whistle-blowing activity provided in sections 6-8 of this report for the two-year period 1 April 2011 – 31 March 2013.

3 Background to the Bribery Act 2010

- 3.1 The Bribery Act 2010 (The Act) came into effect on 1st July 2011. It is a major piece of legislation which updates existing laws on bribery offences and places additional requirements on 'commercial organisations'. Whilst the Council is not a 'commercial organisation' in terms of its normal local authority activities, it is considered good practice for the Council to be able to demonstrate compliance with the spirit of the Act in the conduct of its business and in its policies and procedures
- 3.2 The Ministry of Justice produced guidance to support the introduction of the Act and one of the key messages coming out of this guidance was the need for proportionality, as the threat of bribery varies considerably across different sectors. The guidance is non-prescriptive and is formulated around six guiding principles, which should inform the overall approach to anti-bribery taken by an organisation:
- *Top Level Commitment*
 - *Communication and Training*
 - *Proportionate Procedures*
 - *Risk Assessment*
 - *Due Diligence*
 - *Monitoring and Review*
- 3.3 Following a report made to the Strategic Leadership Team (SLT) in November 2011, the Council has already taken a number of measures to address some of the requirements of the Act. For example, an anti-bribery message was publicised to all staff through the Council's Insight magazine in December 2011, demonstrating **top level commitment** and **communication** with staff.
- 3.4 In other areas, the Council already has a number of key policies and procedures in place covering anti-bribery measures, including the PFC Policy; the Officer Code of Conduct (which covers the Council's policy on acceptance of gifts and hospitality and declarations of interest); and the Council's Whistle-blowing Policy. These policies demonstrate that the Council has **proportionate procedures** covering anti-bribery, but they need updating to reflect the new Bribery Act, to strengthen the message about the Council's stance on bribery and to provide greater clarification on the recording of gifts and hospitality.
- 3.5 The Council introduced the Prevention of Fraud and Corruption (PFC) Policy in June 1998. The purpose of the Policy is to set out the culture for the organisation in terms of not tolerating any act of fraud or corruption and a commitment that all concerns raised will be properly investigated. The Policy also sets out the reporting and investigation arrangements for different types of allegation received.

- 3.6 In June 2011, it was agreed that an addendum would be added to the PFC Policy to cover the implications of the Bribery Act. The Policy itself has also been updated to make specific reference to the Bribery Act, where applicable. The revised Policy and Addendum are attached at Appendix 1 to this report.
- 3.7 In summary, the Addendum to the PFC Policy provides
- a definition of bribery;
 - a statement setting out the Council's 'zero-tolerance' towards any act of bribery;
 - a list of areas identified where the Council may be exposed to the *risk* of bribery;
 - a reference (and link) to the Council's Policy on Gifts & Hospitality (as set out in the Officer Code of Conduct); and
 - a link to the Council's Whistleblowing Policy.
- 3.8 **Due diligence**, within the scope of the Bribery Act, refers to the checks and procedures undertaken by an organisation to prevent associated persons from bribing on their behalf. Employees are considered associated persons under the Act and due diligence forms part of HR recruitment processes, including undertaking full references for all jobs.
- 3.9 Organisations need to **monitor and review** the effectiveness of their anti-bribery policy and procedures. This is achieved through the annual review of the Prevention of Fraud and Corruption Policy by Civic Affairs Committee.

4 Policy on Gifts and Hospitality

- 4.1 The Council's Policy on Gifts and Hospitality is set out in the Officer Code of Conduct.
- 4.2 During 2012-13, Internal Audit carried out a corporate review of gifts and hospitality and declarations of conflict of interest. This audit highlighted the need for greater clarity on what gifts or hospitality can be accepted and what needs to be recorded in the register and on the process for recording declarations of interest.
- 4.3 The Officer Code of Conduct has been updated to provide this clarification and to make reference to the requirements of the Bribery Act 2010. A set of 'Frequently Asked Questions' (FAQs) has also been put together to supplement the guidance provided in the Code of Conduct.
- 4.4 The Updated Draft Code of Conduct and FAQs are provided at Appendix 2 to this report. The proposed changes made to the Code have been highlighted for ease of reference.

5 Working Time Directive

- 5.1 The Council's Working Time Policy is being updated. The Officer Code of Conduct includes a section on 'Having Another Job' and this section of the Code has therefore been updated to reflect the changes to the Council's Policy. The updates to the Code can be seen in Appendix 2.

6 Fraud Investigation

- 6.1 Dependant on their nature, fraud investigations are carried out by either the Revenue & Benefit Services Fraud Prevention Team (FPT) or Internal Audit.

Fraud Prevention Team

- 6.2 The FPT prevents, detects and pursues those who commit benefit fraud against Cambridge City Council. The team consists of 1.7 FTE officers, who conduct investigations into benefit fraud, local taxation, local support scheme, social housing fraud and some internal allegations. As a result of their investigations, the following was achieved during 2012-13, where the value of the activity can be identified:

Identifiable Value	
Amount	Description
£144,723	Benefit fraud identified [can / is being recovered].
£95,461	Additional 23 benefit claims terminated following investigation [this would have been paid in a year, if not investigated].
£21,305	6 customers withdraw their claims when questioned about their validity [this would have been paid in a year, if not investigated].
£18,000	The keys to a Council owned property were handed back. This means a new home for someone [plus DCLG estimates each recovered property saves a Local Authority £18,000].
£14,599	Customer error identified [can / is being recovered].
£5,537	Fines agreed by customers as an alternative to prosecution [Administration Penalties - can / are being recovered].
£299,625	Total

- 6.3 In 2011-12 the total amount of benefit fraud identified was £115, 919 and of this the single largest fraud was £20,333.
- 6.4 During 2012-13 the FPT imposed a total of 43 Sanctions, including 16 successful prosecutions for benefit fraud (one of these prosecutions resulted in a 6-month prison sentence). The figures for 2011-12 were similar with a total of 46 sanctions, including 17 successful prosecutions. The slight reduction in the number of sanctions imposed during 2012-13 corresponds with a change of approach to prevention measures first and foremost.
- 6.5 In addition, the team was also successful in a number of other activities, where it is not possible to quantify the outcome financially, as follows:
- 5 suspicious benefit claims were refused, before payments were made.
 - 5 suspicious 'Right to Buy' applications were withdrawn.
 - A number of internal investigations were undertaken.
 - Intelligence has been supplied to the police in relation to 145 properties or individuals (in line with Data Protection legislation).
 - Intelligence has also been provided to other external agencies such as Trading Standards and the UK Border Agency.
 - A false national insurance number was identified and reported.

Internal Audit

- 6.6 Part of the Internal Audit remit is to investigate any other type of fraud, whistleblowing allegation or theft. Internal Audit look to ensure that employees follow the various policies, procedures and Codes of Conduct established to protect the public purse, as well as the integrity of officers. Matters referred to Internal Audit can be received as a direct request from management or via the whistleblowing route. Under the Council's Whistleblowing Policy, employees are encouraged to report any genuine, serious concerns about any aspect of the Council's work to the Head of Internal Audit, who will investigate those concerns.
- 6.7 During 2012-2013 Internal Audit undertook three whistleblowing investigations concerning potential breaches of the Officer Code of Conduct and manipulation of records. As a result of these investigations, actions were agreed with management in order to improve controls in the areas concerned and in one case appropriate action was taken in accordance with the Council's employment policies.
- 6.8 In 2011-12, Internal Audit undertook two whistleblowing allegations: One allegation into the appointment of staff was concluded with no further action required. The second allegation concerned the acceptance of excessive hospitality and was dealt with in accordance with the Council's employment policies.

- 6.9 The Council also made a referral to the Serious Organised Crime Agency (SOCA) under its obligation to refer cases of suspected money-laundering. The case was not, however, progressed by SOCA.

7 Fraud Prevention

- 7.1 The Council continues to give out a strong deterrent message about fraud in both publicly issued and internal documents, for example, on Council Tax leaflets and Housing Benefit claim forms.
- 7.2 Revenues Services follows appropriate Department for Work and Pensions 'Security Guidance' and has recently adopted a Risk Based Verification process. It has a Fraud Referral Procedure for staff to refer cases of suspected fraud through to the Fraud Prevention Team. Regular reminders are sent to people claiming benefit of their responsibilities in respect of overpayments; the aim being to prevent overpayments building up which can make repayment difficult and can encourage concealment and therefore fraud.
- 7.3 The National Fraud Hotline Scheme continues to be publicised in the Council Tax leaflet and publicity is sought for successful benefit prosecutions through the local papers and via the Council's website as this is seen to have a deterrent effect.

8 Fraud Detection

- 8.1 The FPT is in the process of setting up a Social Housing Fraud Hub with Huntingdon, Peterborough, South Cambs and Fenland District Councils. This will involve the sharing of data to detect social housing fraud, such as vacant or illegal sub-letting of council properties. This follows a successful bid for funding from the Department for Communities and Local Government (DCLG). It is hoped that the FPT will be able to recover several council properties for legitimate use. It is estimated by the Audit Commission that nationally, £0.9 billion fraud is committed in this way. DCLG estimate that each property recovered saves the local authority £18,000 a year.
- 8.2 The authority is required to participate in the National Fraud Initiative (NFI), a national data-matching exercise organised by the Audit Commission every other year that matches data within and between audited bodies to prevent and detect fraud. This includes police authorities, fire & rescue authorities as well as other councils and Housing Associations.
- 8.3 The NFI is now a wide-ranging exercise and includes the following datasets:
- Housing Benefits
 - Payroll
 - Housing Rents
 - Insurance claims

- Creditors
- Market trader licences
- Taxi-driver licences
- Personal licences to supply alcohol

8.4 Work to investigate the results of the 2012-13 NFI began in March 2013. As in previous years, the initial investigation work is undertaken by Internal Audit and any cases of suspected fraud are referred to the FPT, Housing or Human Resources for further detailed investigation, as appropriate. The key outcomes from the 2012-13 NFI will be reported to the meeting of Civic Affairs Committee next June.

8.5 The key outcomes from the 2010-11 NFI exercise were as follows:

- A total of £25,288.70 fraudulently claimed Housing Benefit (HB) and Council Tax Benefit (CTB) was identified.
- A total of £7,282.62 in terms of customer error was identified.
- The Council undertook two successful prosecutions and issued two Formal Cautions, which were accepted.
- One personal license to sell alcohol was surrendered.
- Single Person Discount (SPD) was removed from a number of Council Tax accounts generating an additional £1,594.28 in Council Tax income.
- Of the creditor payments investigated, only two genuine duplicate payments were identified amounting to £2,296. Refunds have subsequently been obtained for these from the supplier concerned.
- Two minor VAT errors were also identified, totaling £1,229, for which corrective action has been taken in the relevant year.

8.6 The authority also participates in the Housing Benefit Matching Service operated by the DWP.

9 Consultations

9.1 Relevant officers have been consulted on the Addendum to the PFC Policy and the updated Code of Conduct. Whilst the unions have raised no objection to the proposed changes, UNISON has very recently raised issues regarding other unrelated aspects of the Code. The Head of Human Resources will meet UNISON representatives to discuss the issues raised and these can be addressed in a further revision to the Code, if appropriate.

10 Conclusions

10.1 The Council remains committed to providing services carried out in accordance with the highest ethical standards and takes steps to investigate all concerns arising.

10.2 Although the City Council is not a *commercial organisation* as defined in the Bribery Act, it is considered good practice for the Council to be able to demonstrate compliance with the spirit of the Act. We already have a number of key policies and procedures in place which cover anti-bribery measures, including the PFC Policy and Officer Code of Conduct, both of which have been updated to reflect the requirements of the Bribery Act 2010.

IMPLICATIONS

- (a) **Financial Implications**
None
- (b) **Staffing Implications**
This policy applies to all members of staff.
- (c) **Equal Opportunities Implications**
None
- (d) **Environmental Implications**
None
- (e) **Community Safety**
None

The author and contact officer for queries on the report is Bridget Bishop, Principal Auditor, extension 8182.

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Appendix 1

CAMBRIDGE CITY COUNCIL

PREVENTION OF FRAUD AND CORRUPTION POLICY

1 INTRODUCTION

- 1.1 The purpose of this document is to outline the policies and procedures, which the Council has in place for deterring, reporting and investigating fraud, corruption and theft.
- 1.2 The Prevention of Fraud & Corruption Policy covers cases of fraud, corruption and theft committed by employees, Councillors, contractors, partners and members of the public and relates to allegations of such cases, which originate from anyone including Councillors, employees, partners and members of the public.
- 1.3 Following the introduction of the Bribery Act 2010, a supplementary section has been added to the end of this document setting out the City Council's policy on anti-bribery and the implications of the new Act for the City Council.

2 CULTURE

- 2.1 Cambridge City Council is committed to providing best value services carried out in accordance with the highest ethical standards. The Council will not tolerate any act of fraud, corruption or theft by either a Councillor or an employee, as such acts reduce the public's confidence in the ability of the Council to be managed in an honest, fair and effective manner. Neither will the Council tolerate fraud or corruption attempted by parties external to the Council.
- 2.2 There is an expectation and requirement that all individuals and organisations associated in whatever way with the Council will act with honesty and integrity and that Council employees at all levels, and Councillors, will lead by example in these matters.
- 2.3 Where sufficient evidence exists in any fraud or corruption case it is the policy of the Council to refer the matter to the Police.
- 2.4 The Council's employees, Councillors and members of the public are encouraged to raise any concerns relating to possible cases of fraud, corruption or theft. Such concerns will be properly investigated and the outcome reported as appropriate.

- 2.5 The Council will endeavour to recover any losses as a result of fraud or corruption from the perpetrators, as appropriate.
- 2.6 The Head of Internal Audit will report annually on the effectiveness of the Policy to the Council's **Civic Affairs** Committee, including a summary of any investigations concluded during the year.
- 2.7 The Head of Internal Audit will be responsible for identifying lessons learnt from the outcome of any investigation and for ensuring that, where necessary, controls are strengthened in the areas concerned. The Head of Internal Audit will also consider whether it is appropriate to share the outcome of an investigation with managers across the Council, with a view to preventing similar situations arising.

3 PROCEDURES FOR THE PREVENTION AND DETECTION OF FRAUD

- 3.1 The Council has well-defined procedures for the prevention and detection of fraud, corruption and theft:

Internal Control Systems

- 3.2 The Council's Constitution sets out Financial Regulations and Financial Procedure Rules which Councillors and employees are required to comply with in the conduct of Council business.
- 3.3 The Council has developed and is committed to maintaining systems and procedures which incorporate efficient and effective internal controls to manage the Council's risks and which include adequate separation of duties. These controls prevent and detect irregularities occurring. Directors are required to ensure that such controls are properly maintained and documented. Their existence and appropriateness are independently monitored by Internal Audit and the Council's external auditors.

Recruitment and Employees

- 3.4 Employees are recruited in accordance with procedures laid down by Human Resources. The HR Recruitment Team is responsible for carrying out all the relevant pre-employment checks of potential employees. Criminal Records Bureau (CRB) checks are also undertaken by Human Resources for certain posts identified by management where the employee will be working with children, young people or vulnerable adults. Management are responsible for reviewing references in terms of performance, suitability and integrity.
- 3.5 The Officer Code of Conduct requires employees to maintain conduct of the highest standard such that public confidence in their integrity is sustained. The Code includes guidance on declaring any conflicts of interests, particularly in relation to any commitments outside of the workplace; acceptance of gifts, hospitality and sponsorship and maintaining separation of roles during tendering.

Councillors

- 3.6 All Councillors on accepting office are required to declare that they will be guided by the National Code of Local Government Conduct. The code sets out the requirements for disclosing pecuniary and other interests and gives guidance on accepting any offers of gifts or hospitality including reporting these matters to the appropriate senior officers of the Council.

Complaints Procedure

- 3.7 The Council has an established procedure for dealing with complaints from the public. Details are kept of all complaints and there is a complaints co-ordinator for every service. The way in which complaints are dealt with and the need for changes in response to complaints are monitored on a regular basis. If anyone is dissatisfied with the response to their complaint they can contact the Council's Internal Ombudsman. Where the complaint indicates possible fraud or corruption it is referred to the Head of Internal Audit for investigation.

Benefit Fraud

- 3.8 The Council has a dedicated team in Revenue and Benefits to identify and investigate suspected fraudulent Housing and Council Tax Benefit claims.

4 REPORTING AND INVESTIGATING POTENTIAL FRAUD AND CORRUPTION

- 4.1 Allegations of fraud and corruption can be made **by** or **against** employees, members of the public, Councillors, contractors, suppliers or partners.
- 4.2 Senior managers are responsible for addressing any allegation of fraud or corruption reported to them and should do so by informing the Head of Internal Audit immediately they are discovered.
- 4.3 The Council is committed to the highest possible standards of openness and accountability. In line with that commitment, we expect employees with genuine serious concerns about any aspect of the Council's work to report their concerns to the Head of Internal Audit and this is covered by the Council's Whistleblowing Policy – see [Human Resources Intranet](#).
- 4.4 Employees who report their concerns in good faith will be protected from reprisals or victimisation. However, if employees are found to have made allegations for malicious or vexatious reasons, disciplinary action may be taken against the employee concerned.
- 4.5 The Whistleblowing policy adds an additional method of raising concerns for employees where it is felt inappropriate to approach their line manager, or if their line manager has failed to address their concern properly.

- 4.6 Any allegations against an employee are investigated by the Head of Internal Audit and Human Resources. The relevant Director is informed of the investigation at the outset.
- 4.7 Where Council employees are suspected of fraud or corruption, Human Resources are responsible for ensuring that the investigation is conducted in accordance with Council procedures and employment law to protect the rights of both the Council and the individual(s) concerned. Internal Audit works closely with Human Resources during the investigation. The Manager, supported by Human Resources, is responsible for invoking any disciplinary procedures against the employee(s) concerned.
- 4.8 Allegations about a Councillor should be reported to the Council's Monitoring Officer. Allegations against a Councillor are investigated by the Chief Executive and the Monitoring Officer.
- 4.9 Allegations against members of the public or external organisations must be notified to the Head of Internal Audit immediately they are discovered. The Head of Internal Audit investigates the allegation in conjunction with the relevant department.
- 4.10 The Council also encourages members of the public to raise any genuine concerns, which will be appropriately investigated. If members of the public wish to report an allegation they should contact the Chief Executive or any Director of the Council.
- 4.11 Councillors who wish to report an alleged case of fraud or corruption should contact the Chief Executive, Head of Internal Audit or the relevant Director, as appropriate to the allegation.
- 4.12 In cases of suspected Money Laundering, this should be reported to the Money Laundering Reporting Officer, currently the Head of Internal Audit. More information on the procedures to follow in such cases is included in the Managers' Guide to Anti-Money Laundering.
- 4.13 The process for raising and investigating different types of concern is summarised in the flowchart at Appendix A.
- 4.14 The decision to involve the Police will be made by the Head of Internal Audit in consultation with the relevant Director.
- 4.15 Clear procedures are in place for briefing Members and senior officers of the Council of fraud investigations. See Appendix A for details.

5 LIAISON WITH OTHERS

- 5.1 The Council has arrangements in place for the exchange of information with other agencies in relation to the detection and investigation of fraud and corruption, for example with the Audit Commission for the National Fraud Initiative and the Department for Work and Pensions for Housing Benefit Data Matching. Any transfer of data between the Council and other organisations is conducted in a secure manner.

6 COMMITMENT TO FIGHT FRAUD AND CORRUPTION

- 6.1 The Council considers it has taken reasonable and appropriate steps to combat fraud and corruption within the Council. It is determined that these arrangements will continue to be effective in the future. The Council will therefore consider any future measures to combat fraud and corruption where the proposal can be demonstrated to be cost effective and successful. The Council is also committed to participating in any appropriate Central Government led fraud initiatives.
- 6.2 This strategy will be subject to review to ensure it is kept up to date and relevant.

Definitions of fraud and corruption

For the purpose of this strategy fraud and corruption are defined as:

FRAUD: dishonest or improper behaviour or acts intended to secure an advantage, whether financial or non-financial, for the perpetrator or for a third party, or to cause loss or risk of loss to another.

CORRUPTION: the offering, giving, soliciting or acceptance of an improper inducement or reward in order to influence the action of a Member of the Council, employee, contractor or partner.

Relevant Contact Numbers

Chief Executive	(01223) 457001
Head of Internal Audit	(01223) 458181
Head of Human Resources	(01223) 458101
Monitoring Officer	(01223) 457001
Fraud Prevention Officer (Revenue Services)	(01223) 457731

FRAUD INVESTIGATIONS: PROCEDURE FOR BRIEFING MEMBERS AND SENIOR OFFICERS

This procedure note is intended to advise Directors, Internal Audit and other staff who may be involved in fraud investigations about the points at which they should ensure that appropriate senior officers and members are briefed. The procedure has to respect the need for confidentiality and the maintenance of proper impartiality where disciplinary action is contemplated. It supplements the requirement in the Council's Financial Regulations section 3.51 for Directors to notify the Head of internal Audit of all suspected irregularities.

The procedure applies to all cases where the alleged fraud involves City Council staff or contractors. It also applies to fraud by members of the public.

1. At the point where officers decide there is sufficient evidence to warrant either:
 - a) commencing formal disciplinary proceedings; or
 - b) referring an investigation to the police

the appropriate Director must ensure that the following are informed:

Officers: CEX and the Monitoring Officer

Members: The leaders of the political groups (CEX) and the party spokespersons (Director) for the relevant committee. This may be impractical if more than one committee is involved. In this case, CEX will brief the Group Leaders.

The content of the briefing required will depend on the nature of the case. Briefing for members can be done orally and if information is particularly sensitive this should be discussed in advance with CEX or Monitoring Officer so that the amount of information to be disclosed can be agreed. The contents of any briefing should be kept confidential by those that receive them.

You should bear in mind that if Members are briefed in any detail they may not be able to be involved in any subsequent disciplinary process. It is unlikely that the party leaders or spokespersons would be needed for this role, but this aspect should be discussed with the CEX or Head of Human Resources in advance.

2. As the investigation proceeds, it is important to keep the information to senior officers and members up-to-date and the Director should repeat the briefing to the CEX and Monitoring Officer and agreed Members as necessary and certainly where:
 - a) an internal disciplinary case is likely to go to Members on appeal;
 - b) an employee is summarily dismissed or resigns in circumstances which were likely to lead to dismissal;
 - c) the police/CPS decide to either drop a case or proceed with charges;

- d) in the case of a prosecution, the court hearing date is given (or amended);
 - e) there is likely to be media interest for some other reason.
 - f) the investigation finds there is no case to answer.
3. In the case of court proceedings the Head of Internal Audit is responsible for checking regularly with the police, the Clerk to the Court or another relevant contact to obtain information on hearing dates and informing the CEX and the relevant Director(s) who need to ensure that Members are informed.

Addendum 1

CAMBRIDGE CITY COUNCIL

ANTI – BRIBERY POLICY & PROCEDURES

1. Introduction

- 1.1. The purpose of this document is to supplement the Council's Prevention of Fraud and Corruption Policy and specifically covers the criminal offence of Bribery.
- 1.2. The Bribery Act 2010 came into force on 1 July 2011 and places additional requirements on 'commercial organisations'. Whilst the Council is not a 'commercial organisation' in terms of its normal local authority activities, to ensure that the City Council does not fall foul of the new legislation, the Council should have regard to the principles of the Act in the conduct of its activities and its policies and procedures.
- 1.3. The Bribery Act 2010 (http://www.opsi.gov.uk/acts/acts2010/ukpga_20100023_en_1) makes it an offence to offer, promise or give a bribe (Section 1). It also makes it an offence to request, agree to receive, or accept a bribe (Section 2). Section 6 of the Act creates a new separate offence of bribing a foreign public official. There is also a corporate offence under Section 7 of failure by a commercial organisation to prevent bribery.
- 1.4. The Act extends to all persons associated with the City Council, including employees at all levels and grades, those permanently employed and temporary agency staff; Members (including co-opted or external Members); suppliers; contractors; partners; volunteers and consultants.
- 1.5. The definition of 'Bribery' for the purposes of this policy is given below:

Definition of Bribery:

'Bribery' is defined as:

The promise, giving, request, acceptance or receipt of a financial or other advantage (e.g. hospitality) to induce or reward a person for improper performance of a relevant function of activity. The advantage can be promised, given, requested, accepted or received either directly or via a third party.

The advantage can be for the benefit of the person performing the function or another person.

2 Policy Statement

2.1 Bribery is a criminal offence. Cambridge City Council does not, and will not pay, offer, or request bribes to anyone for any purpose, nor does it or will it accept or receive bribes or improper inducements from anyone for any purpose. To use a third party as a means to channel bribes to others is also a criminal offence.

2.2 The Council is committed to the prevention, deterrence and detection of bribery and has a zero-tolerance attitude towards bribery. There is an expectation and requirement that all individuals and organisations associated in whatever way with the Council will act with honesty and integrity and that Council employees at all levels, and Councillors, will lead by example in these matters.

2.3 Areas of the Council's business that could be exposed to the risk of bribery include:

- Procuring of supplies, goods, or services;
- Awarding concessions, grants, and licences;
- Approving planning applications;
- Selling or letting commercial properties;
- Cancelling liabilities (e.g. business rates, debtors);
- Allocating housing;
- Recruiting staff;
- Determining the course of enforcement action.

This is not an exhaustive list, but sets out some of the areas where there may be a risk of bribery arising.

2.4 This Policy does not change the Council's policy on gifts & hospitality, which is set out in the Employee Code of Conduct: http://intranet.ccc.local/hr/documents/policy_code_of_conduct.doc.

The Code of Conduct makes it clear that you should:

- refuse any gift you are offered by external people you come into contact with at work, with the exception of small, low value items or where refusal is likely to offend the donor.
- only accept hospitality where it is on a corporate rather than a personal basis, and it is appropriate to the occasion.
- ensure there is a record of any gift or hospitality in the Gifts and Hospitality Register and that your Manager has authorised this.

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for, or associated with, the City Council. If you witness (or have reasonable grounds to suspect) that any act of bribery has/ is taking place, it is your responsibility to report the matter to the Head of Internal Audit (by telephone: extension 8181 or (01223) 458181 or by e-mail: whistleblowing@cambridge.gov.uk

APPENDIX 2 Cambridge City Council Code of Conduct for all employees

What is the Code of Conduct?

The Code of Conduct tells you what Cambridge City Council expects of you in your daily work and your dealings with your colleagues and members of the public. The Council wants to maintain high standards of service and reputation and this document tells you how you play your part in that.

In all aspects of your employment, the Council is committed to treating you fairly and with dignity and respect at all times, in line with the [Comprehensive Equalities and Diversity Policy](#).

Who does it apply to?

This Code applies to all employees, whether permanent or fixed term. Contractors, consultants, temporary agency staff, casuals and volunteers are required to follow the Code when carrying out work for the Council.

Additional guidance for Senior Managers (including Directors, Heads of Service and managers who report directly to a Head of Service) is given at **Appendix 1** to this Code.

Elected Members have their own separate Code of Conduct, available on the intranet.

What does the Council expect from you?

Under this Code of Conduct, you are required to:

- Conduct yourself with the highest standards of honesty and integrity so the Public maintain confidence in the Council.
- Understand and follow the Code of Conduct and other rules and procedures relevant to your job.
- Follow reasonable management instructions.
- Attend work in a condition to be able to carry out your work safely.
- Act professionally and treat others with dignity and respect.

If you breach the rules of this Code of Conduct it could result in disciplinary action being taken against you.

Council money and equipment

If public funds are entrusted to you they must be used in a lawful and responsible manner, and following any local rules and procedures. Council facilities, vehicles or property must not be

APPENDIX 2 Cambridge City Council Code of Conduct for all employees

used for personal use. Specific rules about [internet and e-mail use](#) can be viewed on the Intranet.

Conduct outside work

Although what you do in your free time is your own concern, you should avoid any actions that will negatively affect the reputation of the Council. If you are charged, cautioned or convicted with a criminal offence, or implicated in a criminal investigation; you must notify the Council immediately.

Having another job

If you have another job, you must inform your Manager, and ensure that it does not conflict with your job at the Council. You must not work a total of more than 48 hours per week on average (as stated in the Working Time Regulations), unless the Council have agreed to you 'opting out' of this maximum. This will only be agreed to in exceptional circumstances. Please refer to the Working Time policy for more information.

If you are in pay band 4 or above you must obtain the consent of your Manager before taking another job.

Accepting gifts

The principle is that you should refuse any gift you are offered by external people you come into contact with at work. The only exception is for small items such as calendars, diaries, sweets or similar token low value gifts and where refusal is likely to offend the donor.

If you are offered something unexpectedly, inform your Director/Head of Service, who will consider the circumstances under which the gift has been offered and decide whether it is appropriate to accept it. For example, if you are involved in a tendering exercise and one of the potential suppliers offers you a gift or generous hospitality, this offer should be reported to your line manager and recorded in the gifts/hospitality register, even if the gift/hospitality is subsequently refused.

You should ensure there is a record of any gift received (other than the small, low value items described above) in the Gifts and Hospitality Register and that your Manager has authorised this.

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You should be aware that [under the Bribery Act 2010](#) it is a criminal offence to corruptly receive a gift, loan, fee, reward or advantage for doing or not doing anything in your official capacity.

Hospitality

You should only accept hospitality where it is on a corporate rather than a personal basis, and it is appropriate to the occasion, e.g. tea/coffee/biscuits/cake/refreshments.

Attending a working lunch, or a dinner or ceremony where you will be representing the Council are examples of acceptable hospitality, although you must obtain approval from your Manager [and this should be recorded in the gifts/hospitality register.](#)

[Further advice on gifts and hospitality is contained in a set of FAQs on the HR intranet pages:](#)

Being politically neutral

You must be politically neutral and unbiased in your dealings at work, whether or not you are in a 'politically restricted' post. This means you can't allow your political opinions to influence or interfere with your work. If your post is politically restricted, further [political restriction guidance](#) is available on the intranet.

Expressing your views

You should not publicly voice or associate yourself with an opinion, which is in conflict with a Council view, on a matter that relates to your job. This could lead to loss of public confidence in the Council.

If you are required to explain a decision the Council has made, in the course of your job, you should not express your personal views. The Media Protocol gives further information. Guidance for attendance at public/political meetings is contained in **Appendix 2**.

Conflicts of interest

You should inform your Manager immediately if any conflict of interest occurs between your work duties and your personal life. Examples of where a conflict of interest could arise include:

- Involvement with a business that is competing with the Council for work.
- Relationships of a business or a personal nature with an external contractor.
- Involvement with an individual or firm who has submitted a planning application.

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- Membership of a community group whose views and actions may oppose that of the Council.
- Being on the panel of an interview where you have a personal friendship or are related to the interviewee; or being in a position where you are the line manager to a close personal friend or relative
- You (or a relative or close friend) submitting a planning application.
- Matters that affect you or your family, such as lodging an objection to a planning application as a Cambridge resident.

You must declare personal membership of any organisation which is not open to the public, without formal membership and commitment of allegiance and which has secrecy about rules or members conduct.

If you think a conflict of interest has arisen please inform your Manager immediately. [Where a conflict of interest arises, this should be formally recorded by your Line Manager.](#)

Concerns

If you have a general concern at work, you should speak to your Line Manager.

If you have a concern about serious malpractice at work, such as something unethical, fraudulent or illegal, you can contact the Whistle blowing line. Telephone: extension 8181 / 01223 458181 or e-mail: whistleblowing@cambridge.gov.uk

View the full [whistleblowing policy](#) on the intranet.

If you are concerned about bullying or harassment, you should refer to the Bullying and Harassment Policy.

Confidential Information

In the course of doing your job, you may have access to confidential information such as information about members of the Public. You must never disclose such information without authorisation, or make personal use of it. You must also ensure that confidential information sent outside of the organisation is sent securely, via recorded delivery or is encrypted if being sent electronically. The [Data Protection](#) pages on the intranet give further guidance.

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Separation of roles during tendering

If you are involved in the tendering process you should be clear on the separation of client and contractor roles. You must not disclose confidential information on tenders or costs of internal / external contractors to any unauthorised person or organisation.

Safeguarding of Children and Vulnerable Adults

Cambridge City Council has a statutory duty to safeguard and promote the welfare of children, and to develop procedures to protect vulnerable adults. As a City Council employee, you:

- Must be aware of the [Safeguarding Policy](#)
- Must attend Safeguarding training if it's required for your job
- Must not begin any unsupervised activity involving access to children or vulnerable adults before receiving a satisfactory Criminal Records Bureau (CRB) check from the Council.
- Must report inappropriate behaviour or bad practice.

Where to get more information

The Council's Intranet site contains employment policies and guidance, as well as health and safety information.

Speak to your Line Manager if you have any questions or if you cannot access the required information from the Intranet.

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Appendix 1 For Senior Management

Scope

This guidance applies to you if you hold a senior Management position (where you report directly to a Head of Service) or the position of Head of Service or Director. You are also bound by the 'Code of Conduct for All Employees'.

Your responsibilities

As a senior manager of Cambridge City Council, you hold a position of greater trust and confidence. You are expected to:

- Be a role model for all employees in upholding the Code of Conduct, and ensure your teams are aware of its contents.
- Conduct your role with openness, honesty and integrity at all times.
- Ensure that employees understand their roles and that Council policies and procedures are accessible to all.
- Act promptly, thoroughly and fairly when responding to reports of wrong doing within the Council.
- Consider sustainability issues when carrying out your role including in the procurement of goods and services.
- Report any personal conflict of interest immediately.
- Ensure Council funds and resources are used in a proper manner.

Political neutrality

In the course of your work you are expected to adopt a politically neutral and objective approach at all times. You may be required, as part of your role to attend public meetings or private political meetings. You must refer to the Guidance for attendance at public/political meetings contained in **Appendix 2**.

If you hold a politically restricted post, you must read and comply with the [Political Restriction Policy](#).

Personal relationships

Close personal familiarity with another employee, Councillor or member of the Council or a contractor may lead to an accusation

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of bias or other employees feeling uncomfortable; it should therefore be avoided where possible. If a relationship arises this must be immediately disclosed to your Manager.

You must not be involved in the appointment of any applicant for a job if you are their relative, friend or partner; nor should you take a role in their discipline, promotion or pay adjustment. If you are put in a position of being the line manager to your relative, close friend or partner this must also be immediately disclosed. You must not be involved in the awarding of a contract for anyone you are in a close personal relationship with outside of work.

Ethical decision making

As a senior manager you make decisions daily that could be analysed or interpreted by others. Not every ethical dilemma can be outlined in a written Code. You should consider:

- Is the public's confidence in the Council at risk?
- Would a member of the public see the proposed action, decision or practice as fair, honest and appropriate?
- Would the action comply with relevant legislation, policy and practice?

Annual declaration

Directors and Heads of Service are required to complete a Declaration of Pecuniary Interests on an annual basis. This includes details of any outside business interests. The declaration form will be sent to you when it is due to be completed.

You should speak to your Manager if you are in any doubt about a particular issue or aspect of your role.

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Appendix 2

Guidance for attendance at public / political meetings

Scope

This guidance applies to all employees.

Public meetings

You may be expected to attend a public meeting called by a Councillor, to give a professional or technical view or answer questions.

Attendance at public meetings is acceptable only when meetings are genuinely open and invitations to platform speakers are not restricted to one political group.

Public political meetings

It is not acceptable for you in your official capacity to speak at a public political meeting called by a political group.

Private political groups

You will not be called upon to attend or advise any private political group meeting. **However the Chief Executive, Directors and Heads of Service** may attend a private political group meeting to explain or advise on Council policies or issues; provided that this facility is available to all political groups who are represented on the Council.

Politically restricted posts

If you hold a politically restricted post, you may not speak in public or publish material that affects support for a political group. However it is acceptable to explain the Council's position on a policy or issue in your official capacity. Refer to the [Political Restriction Policy](#) for further guidance.

Political publicity

In the course of your work, you must not publish any material, or give quotes which partly or wholly appear to support one political group. This includes materials or quotes referring to a political group, or promoting or opposing a point of view that is identifiable to one political group.

Speak to your Head of Service or Director if you require further guidance about attendance at public/ political meetings.

Appendix 2

Frequently Asked Questions in relation to Gifts & Hospitality and Conflicts of Interest

Q: I have been offered a diary and a wall planner by a supplier to the Council that I deal with, can I accept them?

A: Yes. Low value or token items such as these can be accepted, as they are items that will be used in the office and therefore do not need to be recorded.

Q: I have been offered a bottle of wine/chocolates by one of the Council's suppliers, can I accept them?

A: Provided these are low value items and this is a one-off occurrence then this is acceptable, but it is down to the discretion of your line manager. Consideration should be given to donating items such as this to one of the mayor's charities. These items should be recorded in the hospitality register.

Q: I have been asked to attend a working lunch in relation to a joint working arrangement with a number of other local councils/organisations, can I go?

A: Yes. You will be representing the Council at this event in your official capacity, so you can attend. You should still notify your line manager and record it in the hospitality register.

Q: A supplier to the Council has invited me to attend an event using their corporate hospitality box, can I go?

A: No. This is not an event where you will be representing the Council in your official capacity so you should not attend. You should report it to your line manager and record the offer in the hospitality register.

Q: Our office is in need of some urgent repair work, my friend is able to do the work and offers very good rates, can I get him to do the work?

A: No. Orders and contracts for any work required by the Council must be awarded by fair competition and no special favour should be shown to businesses run by friends/relatives.

Q: My partner works for a contractor that will be tendering for work with the council, what should I do?

A: Inform your line manager of your interest. You should not be involved in the evaluation of any tender relating to the contract concerned. If this is not possible (e.g. due to specialist technical expertise required) you should contact the Head of Internal Audit (Ext. 8181) to discuss.

Q: I regularly attend meetings with external groups and am sometimes offered a piece of cake/sweets/cup of tea, for example, during the meeting. Do I need to record this in the hospitality register ?

A: No, as this is refreshment being offered as part of your working day and provided the offer of refreshment is being extended to all attending the meeting and is not excessive it is OK to accept. N.B. This is different to being invited to a formal lunch, which should be recorded and approved by your line manager.

Appendix 2

Q: What should I do if I suspect any wrongdoing with regards to the acceptance of gifts or hospitality or if I suspect that someone has not declared a potential conflict of interest?

A: You should speak to your line manager in the first place who should refer it to the Head of Internal Audit if they are concerned. If you feel it is not appropriate to talk to your line manager or if you feel that they have failed to address your concerns properly, then you can raise your concern directly with the Head of Internal Audit, under the Council's [Whistleblowing Policy](#).

The above questions and answers provide some examples of situations you may encounter while at work. You may encounter other situations where you are not sure what to do and some judgement may be required as to what is appropriate or reasonable.

If in any doubt, contact your line manager, HR or Internal Audit for advice.