

**Business Rules
for
Propriety and Confidentiality**

**Issued by : Human Resources Directorate
Date : 1 December 2000**

BUSINESS RULES FOR PROPRIETY AND CONFIDENTIALITY

PURPOSE

1. To set out the standards of business conduct required of all National Savings and Investments (NS&I) employees in relation to the role and responsibilities of the Agency, and thus to avoid conflict of interest and any allegation of bribery or compromise and to ensure proper standards of confidentiality are maintained where appropriate.

2. The Agency, as a Government Department within the Civil Service, is responsible for defining the standards of conduct it requires, and for ensuring that these fully reflect the Civil Service Code and the central framework covering the principles of Conduct and Propriety as outlined in the Civil Service Management Code.

SCOPE

3. All established and temporary employees employed under a contract of service to the Agency. This does not include SBS employees, or employees of other suppliers to NS&I who are subject to their own organisation's business rules.

Note : Contractors and Consultants are engaged under a contract for services and are governed separately under the Agency's Purchasing Procedures (Conditions of Contract For Consultancy Services).

POLICY STATEMENT

4. NS&I expects from its employees the highest standards of propriety and integrity in all matters concerning the Agency. You must neither put yourself in any position where your private or personal interests might conflict with your duties and obligations to NS&I; nor must you do anything which might allow the perception of suspicion in this regard. NS&I looks to you to exercise scrupulous care at all times in these matters, particularly in relation to the following:

- accepting or reciprocating gifts, favours and hospitality;
- private share-dealing with companies which might be involved with NS&I;
- conducting your personal financial and business interests;
- handling official information (including customer information).

5. In all circumstances, you must act strictly within the definition of this policy and any underlying procedures. If you fail to do so, you could be dismissed or face criminal prosecution.

GIFTS, HOSPITALITY OR ENTERTAINMENT

6. As civil servants, we all have to take great care over the acceptance of offers of gifts and hospitality which are in any way linked to the business of NS&I. This is to avoid being put in a position where there is a potential or actual conflict of interest, or which might be construed in that light. The guiding principle is that, as employees, we must not receive

gifts, hospitality or other benefits of any kind from a third party which might be seen to compromise our personal and professional judgement or integrity.

Gifts

7. A 'gift' is defined as any item of cash or goods, or any service, which is provided for personal benefit at less than its commercial value. The only exceptions to this definition are merchandise samples, which are given to an individual **for a bona fide business purpose**.

8. The following types of gift from third parties can be accepted:

- low value 'promotional' gifts (e.g. calendars, diaries to the approximate value of £10) inscribed with the provider's name;
- in cases of an individual's prolonged absence from work e.g. sickness or the birth of a child, conventional personal gifts, such as flowers, fruit or confectionery of reasonable value;
- team or directorate gifts of appropriate value, intended to be shared on a team basis (e.g. confectionery).

9. The following types of gift cannot be accepted:

- gifts on a larger scale than those described above;
- goods or services provided by a supplier/contractor for personal benefit at nil or reduced cost (e.g. building or maintenance work);
- payment by suppliers to subsidise NS&I Agency events (e.g. Christmas parties).

10. You should report immediately any offer of an unreasonably generous gift or favour that is received on the form provided (Annex A) to your manager. It is important to be aware that corruptly soliciting or receiving any gift or favour (including any such attempt) is a criminal offence.

11. If you receive any unacceptable gifts you must return them with a letter politely explaining the terms of this policy and stating that you are not allowed to accept them. (See Annex B)

12. Any gift that cannot be returned (e.g. perishables) you should dispose of at the discretion of a senior manager; for example, it might be shared between junior staff or given to charity. In these cases the supplier should also be informed, in writing, of the Agency's action. (See Annex C)

13. It is recognised that where a business relationship has developed into personal friendship, which exists **outside** the business environment, personal gifts are likely to be exchanged (e.g. birthdays, Christmas, retirements). This is acceptable provided that:

- Any gift made to you is paid for by the person giving the gift, not by their employer. However, it is important to recognise that perfectly innocent actions can look, or be made to look, suspicious. You may therefore wish to discuss it with your manager.

14. NS&I management may wish from time to time to mark NS&I' appreciation of a successful business outcome with a gift to a third party. In which case, it should be made clear that there is no element of inducement involved, and that the gift should not be reciprocated.

Hospitality or Entertainment

15. A blanket ban on the acceptance or provision of hospitality or entertainment is neither practical nor desirable from a business point of view. Acceptance or provision must be on the basis that some real business benefit is likely to accrue. So care must be exercised in the acceptance or provision of hospitality or payment of expenses. For example, an offer of hospitality from NS&I such as business meals or drinks can be made on an appropriate scale, (up to £35 per head for individual instances). But individuals should be aware that acceptance or provision of hospitality could be misconstrued where it is made when a contract with the Agency is up for renewal.

16. The same offer or provision, in the middle of a contract period, however, could be seen as normal business relationship-building. It is therefore important to ensure transparency in dealings with suppliers, and not to be put in a position where you may be perceived to have been influenced in making a decision - for example, in relation to awarding a contract. Those who are involved in any aspects of a contract are particularly vulnerable. If in doubt about any offer you receive, you should first consult your line manager, and if necessary, the Head of Internal Audit and Corporate Governance or the Finance Director.

17. Travel expenses - all business trips which you undertake on behalf of NS&I must be paid for by NS&I. This means that the following may not be accepted:

- payment of normal business travel or accommodation expenses;
- paid-for trips which are not necessary for a genuine or other business purpose;
- travel or accommodation costs for family members.

18. Entertainment - the following may not be accepted:

- tickets for any function at which the host is not present;
- use of a host's property (e.g. holiday home) for your personal use;
- any type or level of entertainment which is excessively generous or lavish and is outside the bounds of accepted business hospitality;
- extension of business trips abroad for personal leisure purposes paid for by the host.

19. Entertainment - the following can be accepted:

- entertainment at which the host is present and which is within the bounds of accepted business hospitality. The scale and nature of business hospitality in the Financial Services market, of which NS&I is a part, can vary greatly, so great care needs to be exercised when accepting an invitation to prestigious events such as Wimbledon and Henley etc. Business hospitality, however, is an integral part of building good relationships and adding value to NS&I. Nevertheless the higher the individual's personal responsibility for a business relationship, the greater the level of care which needs to be exercised. In such cases you should always consult the Finance Director before accepting any invitation.

SHARE DEALING

20. You must not deal in shares or securities of any organisation for which you have unpublished information which, if published, would result in personal financial gain.

'Shares or other securities' means any type or class of share, debenture, loan stock or option traded on a recognised stock exchange, irrespective of whether the purchase or sale is made through an employee share scheme or otherwise.

21. You must declare in writing to the Finance Director any financial interest of which you are aware that you, or any of your close relatives or associates, have in any business which may contract to supply goods or services to NS&I. This disclosure also applies to any interest in an activity or pursuit which could lead to potential conflict between your work with the Agency and these activities or pursuits

22. NS&I regards the requirement to declare any financial interests as a contractual responsibility. You may face disciplinary action if you fail to declare a relevant interest or you abuse your official positions for self-benefit or for the benefit of your family, friends or associates.

FINANCIAL INTERESTS AND BUSINESS ACTIVITIES

23. You must not be financially involved in any external business if your activities on behalf of the Agency could materially affect the fortunes of that business. This includes businesses which are, or which become, suppliers, customers or competitors of NS&I. If any such interests are already held you must declare these in writing to your manager, who will seek advice on whether action is necessary.

24. If you wish to engage in any outside employment you must first obtain written permission from your Director. This is particularly important if there could conceivably be a conflict between that outside employment and with NS&I own interests. **In all such cases Human Resources should be consulted before any decisions are taken.**

25. NS&I does not permit its employees to engage in outside employment which could conflict with or detrimentally affect their duties to NS&I.

CONFIDENTIAL INFORMATION

26. You may not disclose to unauthorised persons, or otherwise use for your personal gain or benefit, confidential or other classified information to which you have access. This applies during and after your period of employment with NS&I. Any breach of the provisions of this paragraph will entitle NS&I to use the disciplinary procedure, which could result in dismissal.

27. It is important that confidentiality is maintained. Sensitive information should always be treated on a "need to know" basis, and an appropriate level of authorisation must be obtained before any information, which may be of a confidential nature, is passed to other employees or outside agents who may not be authorised to receive it. It is also essential, when transmitting information in a written form or by electronic mail, that care is taken to ensure that where this is of a confidential nature it is addressed correctly. Further information on the use of electronic mail systems is contained in the Agency's policy on 'Use of e-mail and the Internet'. The uncontrolled or premature release of information externally can be extremely damaging and may result in competitors gaining a commercial advantage. Such information may be of a technical, financial, commercial or personal nature or may relate to the Agency's plans for the future.

28. From time to time you may need to remove from the office documents which you are working on and which relate to your job role. You are responsible for the security of these documents and exercising the normal standards of control and level of security classification which apply to them.

29. You must not publish literature, deliver any lecture or make any communication to the press, radio or television relating to the business or any other matters in which the business may be concerned, unless this is with the authority of your Director or the Chief Executive or is explicitly part of your role. The Head of Communications must also be consulted to advise on presentation, content, and on any issues which might affect the interests of other external stakeholders

Further details regarding confidentiality of information are contained within the Agency's policy on Data Protection.

RELATIONSHIPS WITH POTENTIAL OR ACTUAL SUPPLIERS TO SBS

30. A further dimension is the partnership contract we have with SBS, a major element of which is to seek to win third party business. It is in the partnership's interest that SBS are successful in bringing new business into the three operational locations. However, it is important to ensure that you are not put in a position, real or perceived, where a conflict of interest could arise. This could arise if a third party claimed that they were disadvantaged by NS in favour of SBS in some way. We have therefore provided some guidance on how to deal with such relationships in the disclosure statement which can be found at Annex D. You are required to read the guidance carefully, sign the disclosure statement in the appropriate place, and return it to the Sourcing Secretariat.

FAILURE TO COMPLY

31. Failure to comply with the guidelines in this policy will constitute a breach of the Agency's Business Rules. If you are suspected of not complying with this policy an investigation will take place which may then lead to a disciplinary hearing under the Disciplinary Procedure. In the event that an allegation is considered to be well founded, disciplinary action which could lead to dismissal will be taken.

Your responsibilities as an individual where failure to comply is suspected

32. There may also be circumstances under this policy where you may have concerns about the conduct of a particular aspect of the business of the Agency or you wish to question the activities of other colleagues or representatives. If you suspect that this conduct could affect and prejudice the interests of the organisation or the public, is illegal, improper, unethical, is in breach of constitutional convention or a professional code, involves maladministration or is otherwise inconsistent with the Civil Service Code (a copy of which can be obtained from Human Resources); you should report your concerns to your manager or direct, in confidence to:

Sandra Postles, Head of Human Resources, or
Trevor Bayley, Finance Director.

33. It will be their responsibility to investigate the issues giving rise to your concerns and to respond in writing. If the reply does not resolve your concerns you may report the matter in writing to the Civil Service Commissioners. The address is contained in the Civil Service Code.

34. Provided this procedure is followed, you may make such disclosures without fear of recrimination from any source and in the knowledge that such concerns will be promptly and properly investigated. This procedure is separate from the normal 'grievance' procedure, which should be used for all other matters.

RESPONSIBILITIES GENERALLY

35. All individuals within the scope of this policy are required to adhere to its terms and conditions. These are also incorporated in their contracts of employment.

36. Line managers are responsible for ensuring that this policy is applied within their own areas. Any queries on the application or interpretation of this policy must be discussed with Human Resources prior to any action being taken.

37. Human Resources has the responsibility for ensuring the maintenance, regular review and updating of this policy. Revisions, amendments or alterations to the policy can only be implemented following consideration and approval by the Head of HR.

38. Finance are responsible for the reporting processes and documentation which are integral to this policy as part of their wider role in ensuring good standards of corporate governance.

Human Resources Directorate

December 2000

REGISTER OF GIFTS AND HOSPITALITY

Notification and approval form

Please complete boxes 1-3 in CAPITAL letters and sign in 4.

1

Name _____
Directorate _____ Extn _____

2

Description of offer (including date where appropriate)

Approximate valuation £ _____

3

Organisation making offer

Name _____
Address _____
_____ Telephone number _____
Contact _____

4

Declaration

I declare that the above details are correct to the best of my knowledge and belief.

Signature _____ Date _____

5

Line Manager approval (where required)

Acceptance of the above gift/hospitality is approved (state reasons).

Signature _____ Date _____

On completion please pass to the Finance Directorate

Finance Directorate registration number _____

Annex B

Dear < >

This is to thank you for your kind gesture in sending <name/me> a gift of <description> on <date>.

Whereas I/we appreciate the sentiments expressed by your organisation/you, I/we regret that this gift cannot be accepted as to do so would be to breach our organisation's policy on the acceptance of gifts and gratuities.

Your gift is therefore being returned and I hope that this does not cause you any inconvenience

Annex C

<or>

I am very sorry to say that I/we are unable to accept your kind gift because the receipt of such a gift could be mistakenly construed as unduly influencing our business relationship. As it was unreturnable due to <reason> I/we have distributed its contents amongst all members of staff / to charity>. I/we trust this will be acceptable to you.

It was good of you to < Gift > but you will understand the potential difficulty that this could create if it is misinterpreted later. I/we look forward to continuing our mutually beneficial and successful business relationship/continuing to provide you with the level of service you have come to expect from us.

Yours sincerely

Introduction

These rules have been put in place to help you avoid conflict of interest, and neither you nor NS&I is put in a situation where either party might be subject to criticism

SBS Third Party Business

1. A major objective of the NS&I/SBS partnership is to minimise the impact of redundancy and to redeploy surplus staff in SBS/NS&I account into new business which SBS will be seeking to win from either the private or public sectors, including other parts of the civil service.
2. SBS' ability to win such business will be a major determinant in their ability to make a success of the NS&I contract; to achieve the required services levels; and invest in new technology and systems for the benefit of NS&I business. NS&I also stands to gain directly from any reductions in SBS' cost base through the gain-sharing arrangements in the contract.
3. NS&I' success is therefore inextricably linked to that of SBS, but we need to avoid any accusation of favouring SBS unfairly at the expense of other suppliers to gain new business.
4. This principle is fully in line with our obligations as civil servants under the Civil Service Code. One of its basic tenets is the avoidance of conflicts of interest, real or perceived. And it is important to recognise that perfectly innocent actions can look, or be made to look, suspicious. In its guidance on propriety, the Bank of England talks of the "smell test".
5. So we have to think how our actions might look. In the case of action linked to SBS gaining new business we have to think how things might appear to one of SBS' competitors, who might think SBS were getting an unfair advantage through the services of an unpaid (by SBS) sales force.

Other Third Party Business

6. We must also be aware of how any share dealing or financial interests may look. These are covered in detail in the Business Rules at paragraphs 20 to 25. When declaring any financial interests to the Finance Director, you should think widely of what constitutes a relevant interest and should include for example, but not limited to, shares or other financial interests in Siemens companies and in major sub contractors of SBS, known to you, in delivering the services to NS.

Procedures to be followed in relation to SBS third party business

7. SBS management are well aware of the need to observe strict rules in this area, and have agreed to observe the following guidelines.
 - a) all requests for assistance, including requests for SBS-NS&I to act as reference sites, should be channelled through Sourcing Directorate. If you receive a request, you should refer it to the Head of Relationship Management.
 - b) all activities including any information requested derived or provided in support of

SBS will be recorded in a **register** to be held in Sourcing by Relationship Management. The register will detail the request, and any action taken, including the refusal of assistance.

- c) NS&I staff should not travel at home or abroad at SBS expense in support of any SBS business proposal.
 - d) travel at NS&I expense for this purpose should be undertaken only where there is a demonstrable business justification and with the express approval of the Finance Director.
 - e) NS&I should provide information on SBS performance only in response to direct requests from third parties (private **and** public sector) and then only within the prevailing confidentiality agreement between NS&I and SBS of release of such information to third parties. Release of any other information should be with prior written agreement of SBS; and only under the delegated authority of the Director of Sourcing.
 - f) while facilitating the overall achievement of tax payer value for money, NS&I staff should not use their position as civil servants to promote the use of SBS by other government bodies.
8. Under 7 e) above, care should be taken to ensure that any information should
- g) provide an accurate and balanced picture, presenting both the good and bad points of SBS' performance.
 - h) normally be provided on a formal basis under a non disclosure agreement, either in writing, or at meetings with a previously agreed agenda and of which a formal note is taken. At a minimum, a note of the information provided should always be placed on file. The Sourcing officers referred to in section 6. should be consulted initially for guidance as to how information is to be transferred and recorded.

.....

I have read and understood these rules and have retained a signed copy for personal reference.

Signed----- Date-----
Printed Name----- Directorate-----

**Sign and please return the full document to the
Sourcing Secretariat within 7 days of receipt**