

Gifts, Hospitality and Awards Policy

Purpose

1. The public is entitled to expect the highest standards of conduct and service from a Non-Departmental Public Body such as the Scottish Funding Council. The Ethical Standards in Public Life (Scotland) Act 2000 brought in a statutory Code of Conduct for Board members of Devolved Public Bodies and set up the Standards Commission for Scotland to oversee the ethical standards framework. The then Scottish Executive identified nine key principles underpinning public life in Scotland, which incorporates the seven Nolan Principles and introduced two further principles:
 - a. Selflessness
 - b. Integrity
 - c. Objectivity
 - d. Accountability
 - e. Openness
 - f. Honesty
 - g. Leadership
 - h. Duty
 - i. Respect
2. The 'Integrity' principle requires all in public positions to avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
3. This is also reflected within the Board Code of Conduct¹, which is modelled on the Scottish Government's Model Code of Conduct.

Scope

4. This policy applies to SFC staff, SFC Board members, members of Committees, Panel or advisory groups in circumstances where they may be regarded as representing SFC (for example, when they are invited to an event because of their SFC role).

Bribery

5. The Bribery Act 2010, states that it is a criminal offence for anyone to give or receive any financial advantage which encourages improper performance or is intended to do so. It also introduced a requirement for companies and public bodies, to demonstrate greater transparency when providing/receiving proportionate hospitality and reasonable gifts, to/from external business contacts, stakeholders and suppliers.

¹ [Our governance \(sfc.ac.uk\)](https://www.sfc.ac.uk/our-governance)

6. The offence of bribery can be committed by an individual or by a 'body corporate'. It follows that SFC, as a 'body corporate', can itself commit offences under the Act. Additionally, if it can be shown that a bribery offence has been committed with the consent, or connivance, of a senior officer of the body corporate (or a person purporting to be a senior officer) then that person is also guilty of the bribery offence.
7. Consequently, the provision of anything which might be deemed an incentive needs to be considered with great care, and as a result SFC has this policy in place alongside the Anti-Bribery and Corruption Policy.
8. Further guidance on the Bribery Act 2010 can be obtained from the Ministry of Justice website².

Definition

9. A gift is defined in the Board Code of Conduct as:

'a gift can include any item or service received free of charge, or which may be offered or promised at a discounted rate or on terms not available to the general public. Gifts include benefits such as relief from indebtedness, loan concessions, or provision of property, services or facilities at a cost below that generally charged to members of the public. It can also include gifts received directly or gifts received by any company in which the recipient holds a controlling interest in, or by a partnership of which the recipient is a partner.'

Who is this policy for?

10. This policy is intended to provide advice to all members of SFC's Board, Committees, Panel and Advisory groups and Staff. SFC Board members should read this alongside the Code of Conduct, specifically the section on Gifts and Hospitality (Annex A sets out this section of the Code of Conduct for ease of reference).
11. It is intended to cover anyone who, in the course of their day-to-day work or as a result of their employment, may make or receive offers of gifts and hospitality.
12. It is a disciplinary offence for those covered by paragraph 10 to offer, request or accept an inducement or reward to:
 - a. do anything in their official capacity, or
 - b. show favour or disfavour to any persons in their official capacity.
13. If an employee, Board, Committee, panel or Advisory Group member receives an invitation to an event this should be passed to the Chief Executive and Chair's office and

² [Bribery Act 2010 guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/bribery-act-2010-guidance)

the Governance and Planning Team to determine who will attend and make relevant arrangements and briefings.

14. Where employees, Board, Committee, Panel or Advisory Group members interact with organisations where it is normal business practice to offer hospitality and gifts, they may be placed in a position of compromise since to refuse a gift or hospitality may cause offence but – in some circumstances – to accept may give rise to questions of impropriety, suspicion of conflict of interest, disciplinary action or criminal liability.
15. Care should be taken when a member or employee is offered any form of hospitality or gift from a person or organisation where there is the expectation of a contractual relationship with the SFC (including the awarding of grant funding), as set out in the Standards Commission for Scotland's advice and guidance notes. Therefore, where a college or university is involved, there is an expectation that staff, Board, Committee, Panel or Advisory Group members will exercise particular caution, seeking advice from the Governance and Planning team if they have any concerns about the propriety of acceptance.
16. The Civil Service Code³ sets out that you must not:
accept gifts or hospitality or receive other benefits from anyone which might reasonably be seen to compromise your personal judgement or integrity.
17. This policy explains how offers of hospitality and gifts should be managed by SFC employees, Board, Committee, Panel or Advisory members. There are two aspects to consider:
 - a. whether or not it is permissible to accept hospitality, a gift or other benefit
 - b. whether the event or item should be recorded in SFC's Gifts and Hospitality Register.
18. Staff, Board, Committee, Panel and Advisory Group members are responsible for ensuring that they follow this policy, and for recording hospitality and gifts received in the appropriate register according to guidance (or asking someone to do this on their behalf as set out below). Failure to do so, may in certain circumstances, be regarded as gross misconduct.

Hospitality

19. Invitations to lunch or dinner hosted by an external organisation should only be accepted where the primary reason for accepting an invitation is to discuss business matters, either with representatives of the hosting organisation or with representatives of other organisations that may have interests or activities in common with SFC, and where the

³ [Civil Service Code - gov.scot](http://gov.scot) (www.gov.scot)

venue and hospitality are not in themselves an inducement to accept the invitation or the purpose of the invitation.

20. In accepting hospitality staff, Board, Committee, Panel and Advisory Group members should not allow themselves to reach a position where they might be seen by others to have been influenced in making a business decision because of accepting such hospitality.
21. Any hospitality which is accepted or given to others should not be over-frequent, is proportionately prolonged or be perceived as lavish.
22. If a member of SFC staff is asked to speak at an event, an offer of a 'free place to speakers' and to other SFC staff may be accepted. Such hospitality as a gift in lieu of speaking at an event should be recorded in the register.
23. Table 1 below gives some examples of what is permissible in terms of acceptance of hospitality and advises whether the event is recordable in the register, but this must be interpreted by applying common sense in each case.

Table 1: examples of what is permissible

Type of hospitality offered by an external body	Permissible (subject to being proportionate)	Record in Register
Working breakfast or lunch	Yes	Yes
Working evening meal	Yes	Yes
Working lunches or dinners for which SFC has paid incidental to conferences or similar events	Yes	No
Drinks reception provided by other body, provided there is a business purpose	Yes	Yes
Judging panel or awards event with business-related purpose	Yes	Yes
Closed event which is solely for social purposes to which invited because of SFC's role	No	Possibly if it was felt that it was appropriate to record this

Type of hospitality offered by an external body	Permissible (subject to being proportionate)	Record in Register
Government and parliamentary engagements (as part of the duties of a member of the Board as set out in the Board Code of Conduct).	Yes	No

24. The following items and situations should be avoided:

- a. offers of attendance at functions which are wholly for social purposes
- b. travel (unless this is local, e.g. a lift to a train station)
- c. offers of overnight accommodation
- d. acceptance of tickets and invitations to sporting, cultural or social events
- e. invitations extended to partners and/or other family members except in exceptional circumstances
- f. inducements which could lead to a contractual position between the SFC and a supplier or consultant.

25. Attendance at ceremonial events or Royal Garden Parties is permitted, as is being accompanied by invited partners. Attendance should be recorded in the register.

26. If in any doubt, employees and members should ask for advice from the Governance and Planning team before accepting an invitation.

27. The Governance and Planning team maintains the gifts and hospitality register. Where an event is recordable in the register, employees and members (or someone on their behalf) should complete the gifts and hospitality form (available on the intranet for staff and by emailing sfcgovernance@sfc.ac.uk email address for Board and Committee members) and email this to sfcgovernance@sfc.ac.uk email address.

28. Should it be believed that an inviting body may have been trying to develop questionable relationships with an SFC representative, refusals of hospitality on the grounds of propriety should also be recorded in the register.

29. Some board and committee members with institutional interests may potentially attend many tertiary education-related events associated with their other roles. The expectation is that there would only be a requirement to record such hospitality where the member was primarily invited because of their SFC role. However, in the event of doubt about whether hospitality should be recorded in the register, the member should consult the Chair of the SFC board or the Deputy Director, Governance and Planning.

Gifts

30. The Standard Commission for Scotland's advice on gifts and hospitality for Board members states that in relation to the Board Code of Conduct:

It is important to note that, unlike in previous versions of the Code, there is no financial limit of £50 in respect of gifts under the current version of the Code. Even gifts with a small monetary value, or limited hospitality, can create the impression that members are being influenced, and that there is a culture of 'favouritism' or 'cronyism' within public bodies. Such allegations are much easier to refute if no gifts or hospitality have been accepted.

31. If a member of staff or Board or Committee member is offered a gift, the acceptance of the gift must not give any reasonable person to believe that the recipient might be influenced by such a gift. Therefore, acceptance of gifts should be limited to items of insignificant intrinsic value (such as promotional pens, diaries, calendars or mugs for example).
32. Although it is normal in the private sector for businesses to exchange seasonal gifts, this is not an accepted practice in the public sector, and therefore the gifts policy applies at all times of the year.
33. A potential situation where discretion might be exercised would be where a gift is offered by an overseas visitor (e.g. ornamental plaque or vase) and it is believed that refusal would cause offence. If in doubt, ask the Governance and Planning team for advice. The Director of Finance is the final arbiter on the advisability of acceptance or refusal of individual gifts.

Register of acceptance of gifts

34. It is obligatory for all employees, Board, Committee, Panel and Advisory Group members to record the offer or acceptance of gifts which are associated with their role in the SFC in the central register of gifts and hospitality, unless the gift is of insignificant intrinsic value. Where the offer of a gift is recordable the gifts and hospitality form should be completed (available on the intranet for staff and by emailing the Clerk to the Board for Board and Committee members). Support staff (such as the PA to the Chair and the Senior Governance Officer) will record these on members' behalf, to ensure no undue burden.
35. Any colleague who is unsure whether an item should be recorded on the register should ask for advice from the Governance and Planning Team.

Offering hospitality: business meetings including catering costs

36. Any hospitality which is provided by the SFC should be in proportion to the purpose of the event.

37. Due to space constraints, colleagues sometimes need to hire external accommodation for meetings. In these cases, reasonable charges for refreshments may be incurred, but costs must be approved by the team budget holder in advance.
38. Subject to the agreement of the team budget holder, it is sometimes appropriate to provide visitors with a working lunch. Catering is only normally used when visitors form at least part of a meeting and not when only internal employees are present.
39. In exceptional circumstances, such as when a meeting is very long (usually more than four hours) and/or it must be held over a lunchtime due to the availability of attendees, then reasonable refreshments may be provided to employees (without external visitors needing to be part of the meeting). Approval must be sought by a Director in advance.
40. Staff undertaking business lunches or dinners will be paid for by SFC only when it is considered necessary for the furtherance of our business with external parties. The giving of such hospitality should be approved by a Director in advance and recorded in the hospitality register.
41. As a general rule alcoholic drinks should not be provided by the SFC. However, there may be occasions where it would be appropriate to pay for alcoholic drinks such as a modest amount of wine with a meal at a Board dinner. The provision of alcoholic drinks should be approved by a Director in advance.

Entertaining employees

42. For employees who are leaving after at least 10 years' service at the SFC – or a predecessor body – at the discretion of a Director, a maximum of £50 can be spent on food and beverages to mark the occasion (to be organised by the relevant team and met from the team budget).

Fees

43. If employees, Board, Committee, Panel or Advisory Group members are offered fees for any reason connected with or arising out of their duties with the SFC, staff should notify their manager of the details of that offer. It is generally expected that any such fees are refused but there may be exceptional reasons in play, and it may sometimes be appropriate for a fee to be paid to SFC to cover associated costs such as travel, accommodation and subsistence. In such cases advice should be sought from the Director of Finance.

Awards and prizes

44. Staff, Board, Committee, Panel and Advisory Group members must consult the Director of Finance if they are approached by any organisation offering an award or prize which is in any way connected with their official duty. Retention of the award or prize may be allowed, provided that:

- a. it is offered in recognition of personal achievement
- b. it could not be perceived as a gift (see above).

45. In deciding whether the award could give rise to public criticism, the following should be considered:

- a. the status of the awarding body: for example, whether it is a funded institution
- b. the range of people to whom the awards are given
- c. the method of selection
- d. the standing of the selectors
- e. any SFC dealings with the awarding body.

46. Criticism, however unfounded, might be made if it appears that the award might have been given with a view to future benefit to the body concerned. If an employee or member has any doubt as to the status of the gift or prize and whether it could give rise to public criticism, they must consult the Director Finance who is the final arbiter in all such cases.

Procurement & supplies

47. Where a contract is being negotiated, hospitality of any kind, including attendance at events hosted by suppliers or contractors, must not be accepted by any person who is part of the procurement process.

48. The following is not acceptable:

- ANY invitation, other than as a guest speaker received during the procurement process.
- ANY provision of overnight accommodation, travelling costs or subsistence by a supplier/contractor (or a potential supplier/contractor) of goods/services to SFC during the procurement process.
- ANY invitation of whatever nature extended to a spouse/partner or associate of a member of the organisation.

Further advice and guidance

49. Further advice about gifts, hospitality and awards is available for Board members in the Board Code of Conduct and 'On-Board: A guide for members of statutory Boards'⁴ and the Board Code of Conduct⁵.

⁴ [Supporting documents - On Board: A Guide for Members of Statutory Boards - gov.scot \(www.gov.scot\)](https://www.gov.scot/supporting-documents-on-board-a-guide-for-members-of-statutory-boards)

⁵ [Our governance \(sfc.ac.uk\)](https://www.sfc.ac.uk/our-governance)

50. SFC staff should speak to the SFC Governance and Planning Team.

Monitoring and review

51. This policy will be available to staff on the SFC intranet. It will be reviewed at least every three years.

Document history

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Approved by:	SFC Board
Next review date:	Maximum of 3 years

Annex A: Gifts and Hospitality (from Board Code of Conduct)

Gifts and Hospitality

3.13 I understand that I may be offered gifts (including money raised via crowdfunding or sponsorship), hospitality, material benefits or services (“gift or hospitality”) that may be reasonably regarded by a member of the public with knowledge of the relevant facts as placing me under an improper obligation or being capable of influencing my judgement.

3.14 I will never ask for or seek any gift or hospitality.

3.15 I will refuse any gift or hospitality, unless it is:

- a) a minor item or token of modest intrinsic value offered on an infrequent basis;
- b) a gift being offered to my public body;
- c) hospitality which would reasonably be associated with my duties as a board member; or
- d) hospitality which has been approved in advance by my public body.

3.16 I will consider whether there could be a reasonable perception that any gift or hospitality received by a person or body connected to me could or would influence my judgement.

3.17 I will not allow the promise of money or other financial advantage to induce me to act improperly in my role as a board member. I accept that the money or advantage (including any gift or hospitality) does not have to be given to me directly. The offer of monies or advantages to others, including community groups, may amount to bribery, if the intention is to induce me to improperly perform a function.

3.18 I will never accept any gift or hospitality from any individual or applicant who is awaiting a decision from, or seeking to do business with, my public body.

3.19 If I consider that declining an offer of a gift would cause offence, I will accept it and hand it over to my public body at the earliest possible opportunity and ask for it to be registered.

3.20 I will promptly advise my public body’s Standards Officer if I am offered (but refuse) any gift or hospitality of any significant value and / or if I am offered any gift or hospitality from the same source on a repeated basis, so that my public body can monitor this.

3.21 I will familiarise myself with the terms of the Bribery Act 2010, which provides for offences of bribing another person and offences relating to being bribed.