



Committee on
Standards in
Public Life

December 2015

Ethical Standards for Providers of Public Services - guidance

Contents



Foreword



In June 2014 CSPL published a report on Ethical Standards for Providers of Public Services.¹ The government has made clear that the Seven Principles of Public Life first set down by Lord Nolan - honesty, integrity, accountability, leadership, openness, selflessness and objectivity - should apply to all those delivering services to the public. The definition of each of these Principles is set out at the end of this document. Our report considered how these Principles were being built into the public service commissioning and contracting and drew on research conducted for the Committee by Ipsos MORI with commissioners of services, providers of those services and members of the public.

It was clear from our research that the public want all providers of public services to adhere to and operate by common ethical standards, regardless of whether those services are provided by the private, public or voluntary sectors. For the public “how” things are done is as important as “what” is done. The report made a number of recommendations to government to ensure that proportionate ethical standards are made explicit in commissioning, contracting and monitoring and that these standards apply to anyone delivering public services on

behalf of the taxpayer. It also recommended that providers ensure they have a high level ethical framework and ethical capability, encompassing principled leadership and governance, clear lines of accountability and encouraging a culture of dialogue, challenge and transparency. I was delighted by the positive response the report received from commissioners and providers including from the business community.

The purpose of this document is to emphasise the key messages from our report and build on its research and conclusions by providing short practical guidance to both providers of public services in building and embedding ethical standards in an organisation, and to commissioners in setting ethical expectations for the delivery of public services as well as ensuring those standards are met. The Committee recognises the efforts and investments which many providers have already made in enhancing awareness of, and adherence to high ethical standards. The Committee recognises the challenges faced by any organisation large or small in ensuring that all employees adhere to high ethical standards of behaviour. We know that standards failures represent a significant

organisational risk which is why the Committee supports the development and use of appropriate systems and processes to encourage and reinforce ethical behaviour.

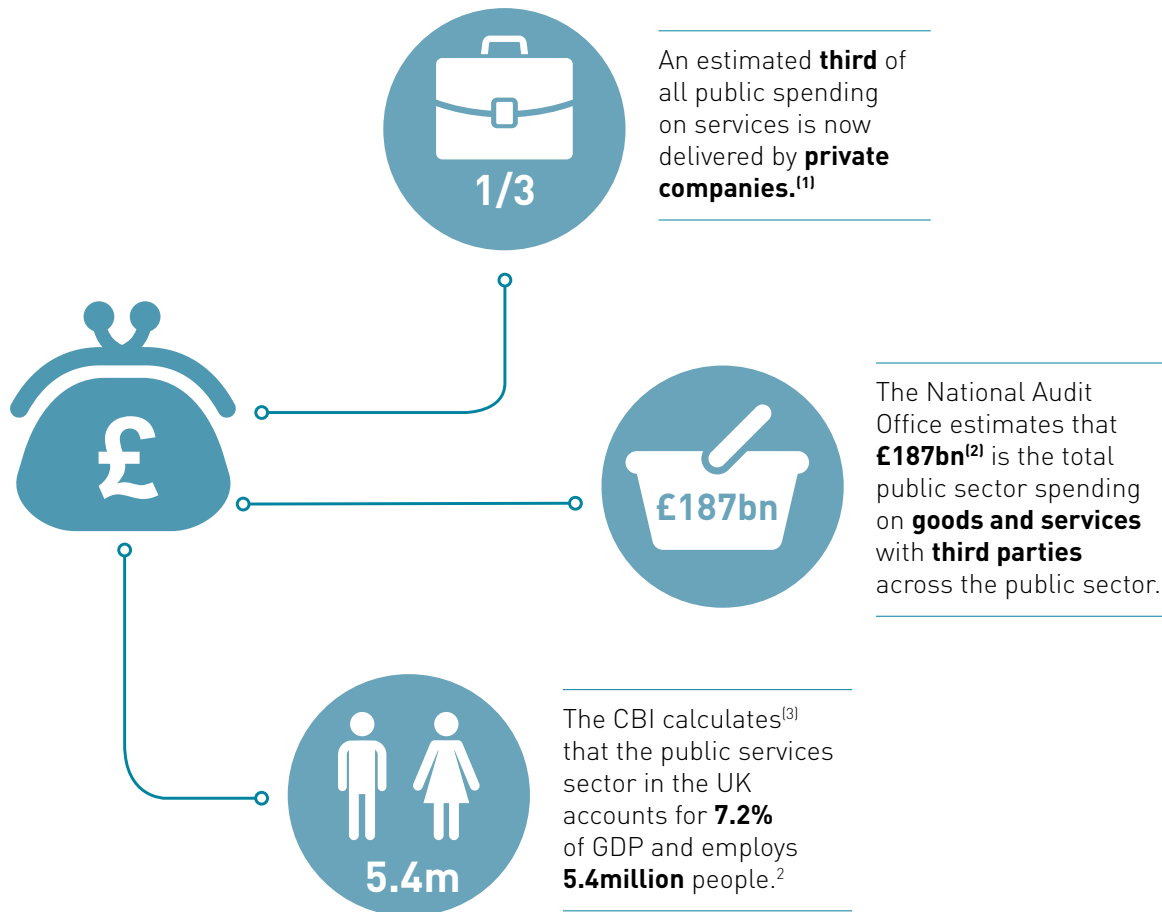
We have included some examples of mechanisms used by commissioners and providers to build high ethical standards but are always keen to learn more, so if you know what works please get in touch.

Ethics matter. This is increasingly recognised by the business community as a necessary part of winning trust and building confidence in the public service markets. Ethical standards should not be taken for granted. Commissioners and providers need to be explicit with each other and the public as to the standards expected in the services which are being delivered.

Lord Bew, Chair of the Committee

December 2015

Background to the report



It makes good business sense to heighten awareness of ethical standards and encourage their staff to adhere to them. Whilst this may involve a cost, organisations need to invest in this aspect of their business. Ethical failures by banks, the press, and most recently in parts of the car manufacturing industry, carry a heavy price. Ethical failures in the NHS, the police and in the public service market more generally have all demonstrated that the damage to reputation and trust, and the financial cost to the business or provider concerned, can be high. Ethical failure by a significant provider of public services can be a major risk to the Government, and can have broader implications for the level of public trust and confidence in the Government and its ability to deliver public services.

About our report

In our report, Ethical Standards for Providers of Public Services, we proposed a high level framework to support and embed high ethical standards in the provision of public services and to provide the necessary assurance to the public and the government that ethical standards are part of service delivery standards. This framework was based around principled leadership and governance including a code of conduct, a culture of dialogue and challenge, clarity of accountability and ethical capability and transparency.

The CBI:

“200 000 charities and companies of all sizes help government provide the public services that we depend on all over the country. This can generate innovation, investment and efficiency, but also requires standards of conduct that are appropriate for organisations funded by and working for taxpayers.”

For the full report: www.gov.uk/government/publications/ethical-standards-for-providers-of-public-services

High ethical standards are important for society as a whole. They are particularly important where public money is being spent on public services or public functions as commissioning and procurement decisions can have a major impact on the user's daily lives and their quality of life. When a provider fails to deliver to the standards expected, and particularly where the user may have no other choice, it may have profound consequences for the individual user and damage public trust more generally.

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Public Accounts Committee:

“Contractors have not shown an appropriate duty of care in the use of public funds. Too often the ethical standards of contractors have been found wanting. It seems that some suppliers have lost sight of the fact that they are delivering public services, and that brings with it an expectation to do so in accordance with public service standards. The legitimate pursuit of profit does not justify the illegitimate failure to conduct business in an ethical manner.”³

Mark Galloway, Executive Vice President, Skanska UK:

“It has to be recognised that our approach to ethics and embedding ethical behaviours in our business is a journey. We are not the finished article, so we always have more to do.

The benefits, however, are significant. It helps us to attract employees who want to work for an ethically driven business, build long and lasting relationships with our supply chain partners and, ultimately, to win work. Being a leader in ethics makes good business sense.

It is by putting the right framework in place, setting the highest standards and encouraging our employees to become role models for ethics that we can establish a best in class ethical culture.”

It is therefore incumbent on those bodies commissioning and procuring public services, and those who are ultimately responsible and accountable for those services, to obtain assurance that high ethical standards are being met. Accountability does not end and should not dissipate on the commissioning or contracting out of public services.

Whilst many of the requirements for high standards require action at an organisational level, high standards also require individuals to take personal responsibility - by observing high standards themselves, by demonstrating high standards to others through their own behaviour and by challenging inadequate standards when they see them.

In an earlier report, Standards Matter, (14th Report January 2013 Cm 8519), the Committee stated that high standards of behaviour need to be seen as a matter of personal responsibility, embedded in organisational processes and actively and consistently demonstrated, especially by those in leadership positions. One of that report's conclusions was that permanent secretaries and chief executives of all organisations delivering public services should take personal responsibility for ethical standards in their organisations and certify in their annual report or equivalent document that they have satisfied themselves about the adequacy of their organisation's arrangements for safeguarding high standards.

The need for leaders and managers within an organisation to model high ethical standards and to take personal responsibility for their behaviour means that high ethical standards may take time to become established within an organisation. Ethical standards cannot be “fixed” onto an organisation overnight and then forgotten. It takes time for an ethical culture to become the norm and requires regular communications to staff to reaffirm ethical practice and behaviours.

Key conclusions from the report

The research conducted for the Ethical Standards for Providers of Public Services report found that:

- the public want the same ethical standards upheld by any organisation providing public services regardless of sector and supported by a code of conduct
- public and stakeholder views of what should constitute ethical standards are broadly in line with the Seven Principles of Public Life
- “how” the service is delivered is as important to the public as “what” is delivered
- the public felt good outcomes and quality of user/provider interaction - particularly from front line staff behaving with integrity and objectivity - were crucial to ethical service delivery

Quotes from the public

“If it’s taxpayers’ money, the principles are the guidance and all providers should follow them.”

“(They should have) end users’ best interests in mind”

- commissioners expect providers to conform to ethical standards but rarely explicitly articulate ethical standards to providers explicitly;
- commissioners want guidance on how to embed ethical standards in the commissioning and procurement process.

It was also evident from the research that currently there are no consistent structures or arrangements within the commissioning process to promote actively the right ethical culture and behaviours in providers of public services.

The report therefore recommended that ethical standards need to be proportionately addressed within existing commissioning, contractual and monitoring arrangements, as part of the process for securing the regularity and propriety of public services.

Quotes from Commissioners and Providers

“It is up to commissioners to be clear about what they want and expect from suppliers, otherwise the contract is won on price”

“As things stand now, contractors see that they are not being watched and become complacent.”

There has been much debate about increasing transparency in public service contracts. Whilst we agree that one route to improving public service standards is through greater transparency and, particularly in the case of larger service providers, the application of the Freedom of Information Act, transparency of itself is not sufficient. Transparency needs to be underpinned by a culture of high ethical standards in public service contracts.

Follow on work

Following our report we undertook further work, including workshops and discussions with commissioners and providers, to review how they are adapting their procedures and practices to ensure the highest possible ethical standards are adopted and adhered to by staff in their organisations delivering public services.

In addition, we have also identified more extensive examples of good practice in a range of commissioners and providers which might be applied more widely. These organisations recognise the challenge of encouraging their employees to behave with high ethical standards at all times and have adopted a variety of systems and processes to support their employees. And they recognise that an

ethical culture is not achieved by a one-off effort, but through the continuing attention to the importance of ethical behaviour.

This guidance document is intended to provide practical guidance and examples to commissioners and providers in setting and embedding those standards of conduct and agreeing the ethical expectations for the delivery public services. Any ethical framework should be risk-based, flexible and proportionate. How it is implemented in practice will depend on the nature of the public service being provided, the model of delivery and the kind of provider.

The National Audit Office has recommended that government should get *“written representation from contractors on the integrity of the services they supply, covering the control environment for maintaining ethical behaviour and public service standards. Such statements, while not necessarily carrying additional legal implications, would have symbolic and reputational importance, and give Parliament clear accountability.”*⁴

Ruby McGregor Smith
Chair of the Public Services
Network CBI:

“Every organisation has a process around governance, around the controls it exhibits and around its behaviours. It can be done, it just needs to be done and clearly laid out in contracts we are asked to sign, so that everyone does it.”⁵”

Melanie Maxwell Scott
Business Services Association:

“High ethical standards can and should be achieved by any public service provider. The sector they come from is not material as long as expectations are made clear and there exists a culture which supports good behaviour and promotes prompt action whenever people fall short.

Procurement and contract-management processes are vital to aligning the values of the public sector client with any supplier. If a contract is poorly written, the wrong type of behaviour can occur or even be encouraged. If the contract is poorly managed, sub-standard performance can go unnoticed. That is in no-one’s best interests, least of all the service user.”⁶”

Suggested Measures

Set out below are examples of measures which could be expected of, implemented and embedded by providers of public services and monitored and evaluated by commissioners to provide assurance of ethical standards - how does the organisation do its

business and how do individuals within it carry out their roles?

It is not intended as a burdensome checklist to be ticked and regarded as complete; rather it should

be used to encourage not only commissioners to be explicit about their expectations on ethical standards, but also providers to reflect on their capacity and capability to meet those standards.

<p>Evidence of leadership commitment to ethical standards - What is the tone from the top and how is this lived out throughout the organisation? What are the values and behaviours this organisation is encouraging and discouraging?</p>	<p>Public statements and day-to-day behaviour that demonstrate visible commitment to ethical standards and taking responsibility – being publicly accountable – for ethical standards.</p> <p>In a small organisation this could be as simple as telling all staff about the ethical expectations of those in the organisation delivering public services.</p>
<p>Evidence of board and individual responsibility for ethical standards - how are employees and (if applicable) board members held to account collectively and individually for ethical issues?</p>	<p>Board level oversight of ethical matters and board level responsibility for or championing of ethical compliance.</p> <p>Ethics committees can be used as a mechanism to improve and scrutinise ethical decision making but they should be integrated to the governance arrangements and not a “bolt-on”.</p> <p>Annual attestations - individual annual sign off of compliance with the company’s Code of Conduct and compliance regulations or policies.</p> <p>Employees are aware of the code of conduct and the consequences of failing to adhere to the Code.</p>

<p>Evidence of internal control and accountability measures - what is the internal control environment for maintaining ethical behaviour and standards in the organisation?</p>	<p>A suitable code of conduct - typically a series of Do's and Don'ts, publically available and adherence to the code monitored.</p> <p>Identification of key indicators or measures of an ethical culture within the organisation and periodic reviews of their effectiveness.</p> <p>Existence of and adherence to whistleblowing policy or speak up mechanisms, gifts and hospitality registers, anti-bribery and corruption, declarations of interests requirements, procedures for dealing with conflicts of interest, which are regularly reviewed.</p> <p>Ethical risks captured and controlled in the risk management process and evidence they have been identified, assessed and where required mitigated.</p> <p>Transparency and reporting arrangements which encourages "intelligent accountability" putting out good quality information in intelligible and adaptable formats creating a genuine dialogue with stakeholders.</p>
<p>Evidence of establishing an ethical awareness and capability in recruitment, induction, progression, training and professional development - how is ethical awareness embedded in the organisation?</p>	<p>Recruitment procedures that take account of values and ethics alongside other skills.</p> <p>Induction processes that give new starters an understanding of the ethical expectations of them, the Codes of Conduct and ethical framework operating in the organisation.</p> <p>Training and guidance on ethical standards generally through ethical and values based training online and face to face.</p> <p>Self-assessment often web based tools.</p> <p>Employees encouraged to demonstrate achievement of e.g. ethical component of commercial capability requirements such as Chartered Institute of Purchasing and Supply's ethical procurement and supply e-learning module.⁷</p>

<p>Evidence of appraisal, promotion and reward procedures that take account of values and ethical behaviour - how does the organisation encourage (or not) its intended values and behaviours?</p>	<p>Codes of conduct linked to performance incentives.</p> <p>Assessing staff on behaviour based criteria the “how” as well “what” they have achieved. Assessing behaviours against core values - e.g. do they role model behaviours consistently, do they coach and encourage others to achieve similar high standards, for leaders do they develop a working culture which emphasises integrity and ethics? do they champion the company values?</p> <p>Including questions on ethical matters in employees surveys.</p>
<p>Evidence of commissioner-provider and user-provider dialogue - what is the success or failure for this contract including the supply chain and what are the essential behaviours to deliver success? how does the organisation learn from criticism and compliments?</p>	<p>Use of staff feedback surveys and self-assessment.</p> <p>Responding to and acting on feedback.</p> <p>Robust complaints system and evidence of good complaints handling; the effective use of complaints data to evaluate how well standards are being achieved and to help deliver service improvements.</p> <p>Setting out clear expectations and standards throughout the supply chain, monitoring compliance with them and clear explanation provided as to the consequences of failing to meet the standards expected.</p>

Practical examples and case studies

We set out below some further practical examples and case studies of measures or ethical frameworks some organisations have put in place in an attempt to build awareness of and adherence to high ethical standards. These examples were shared with us by the relevant organisations, are illustrative and correct at the time of publication of our reports. We expect that as experience of these arrangements grows they will be further developed.

Case study - Mitie example of tone from the top

As part of their wider ethical business framework Mitie launched a [new] Code of Conduct in 2014. The Code was designed to help employees understand the core values and responsible behaviours enabling them to “do the right thing”. In addition to setting our core company policies and procedures, the Code aims to bring to life through scenarios some of the ethical dilemmas faced by those working in Mitie and to provide a set of guiding principles to follow.

The Code, core values and responsible behaviour have been visibly championed by the Chief Executive and the Group Finance Director. The Code’s importance was reinforced through a series of initiatives such as:

- The launch of the Code at an Executive Board workshop
- Risk management leadership workshops
- Monthly roadshows across the business attended by the CEO and CFO
- the promotion of the confidential Speak Up service

- The use of all staff emails from the CEO emphasising the importance of core values and responsible behaviours and what it means for the company
- Open lines of communication between CEO and employees such as twitter

The NCVO and Good Governance Code for the voluntary and community sector

This code sets out the principles and practices that should be adopted in those sectors for good governance. It can be applied in a flexible way depending on the type and size of the organisation. It covers behavioural governance including the effective board behaving with integrity and being open and accountable. It recognises the applicability of the seven principles of public life to the sector as recognised good practice and complementary to those principles.

www.governancecode.org

Case study – Skanska’s ethical business practices

Skanska, one of the UK’s leading contractors, is an inclusive and responsible business that is helping to build a better society. Known for major projects, such as the Gherkin and Crossrail, it is building, upgrading and maintaining the country’s infrastructure – delivering projects in healthcare, education, defence, transportation and municipal services. Drawing on its Scandinavian heritage, it is green, innovative and progressive. Bringing together people and technology, it is working to make construction a safer and more collaborative industry.

Ethics is a core value for Skanska, which is placed at the heart of its business. It has an aim to be recognised for its commitment to doing the right thing, everywhere that it works.

To make this a reality, it has a range of tools that help to bring ethics to life, demonstrating what it means for its employees.

Ethics Roadmap

Launched as a global tool, the Ethics Roadmap is designed as a practical document that helps

Skanska’s national operations to develop an internal culture and behaviour in the market that is best in class.

Ethics Scorecard

Used to monitor the progress of ethics in national Business Units and throughout Skanska. The Ethics Scorecard is published twice a year with the latest data and examples of best practice to share across the organisation.

Ethics champions

Each global business unit has appointed a senior-level Ethics Champion responsible for driving ethical behaviour and implementation of the Ethics Roadmap. This includes development of an annual ethics plan, which sets out the actions which will be taken over the coming year to help build an ethical culture.

Code of Conduct

Skanska’s Code of Conduct applies to all employees and the principles bind Skanska’s supply chain too. All employees participate in Code of Conduct training every two years, and new recruits within three months of joining. <http://www.skanska.co.uk/About-Skanska/Our-Code-of-Conduct/>

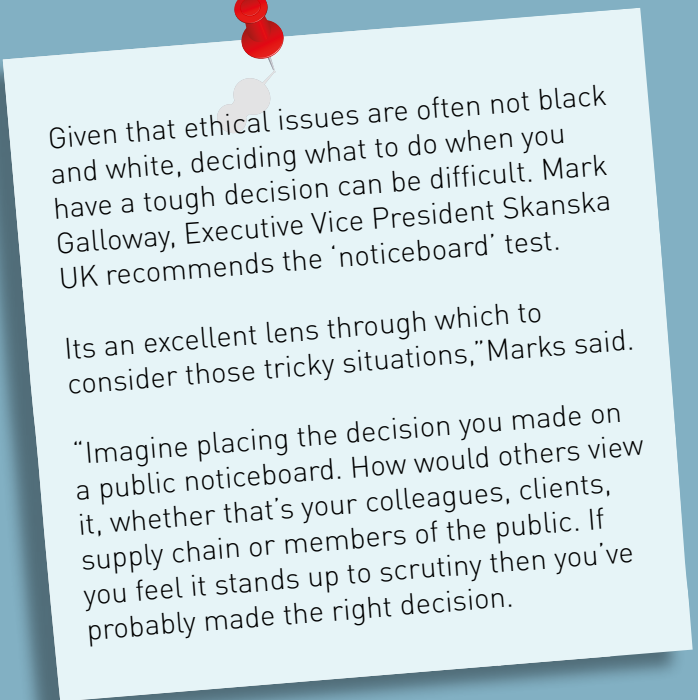
Ethical dilemmas

at least four times a year, all employees take part in informal ethical debates. There are no right or wrong answers, the aim is to facilitate discussion

and encourage employees to feel comfortable discussing ethical dilemmas in business. The ‘notice-board test’ is often referenced – if your decision was posted on a public notice-board, would you stand by your actions?

Annual employee survey

All employees are asked two ethics-related questions as part of the annual employee survey, so understanding and attitudes can be effectively monitored.



Given that ethical issues are often not black and white, deciding what to do when you have a tough decision can be difficult. Mark Galloway, Executive Vice President Skanska UK recommends the ‘noticeboard’ test.

Its an excellent lens through which to consider those tricky situations,” Marks said.

“Imagine placing the decision you made on a public noticeboard. How would others view it, whether that’s your colleagues, clients, supply chain or members of the public. If you feel it stands up to scrutiny then you’ve probably made the right decision.

Code of Conduct Hotline

An independent Code of Conduct hotline has been set up, which enables employees to report concerns about ethical behaviour, anonymously if they wish.

Governance

Two groups have been created to govern ethics in Skanska's UK business. The Ethics Committee, which drives policy development and provides advice, and the Ethics Representatives, which helps to communicate ethics ideas and messages across the business.

Defra's Ethical Procurement Policy Statement

This statement sets out that Defra's expectation that its suppliers will maintain high standards of integrity, professionalism and transparency and how working in partnership with suppliers it will address wider ethical issues outside the public procurement process. These issues include working conditions, employee health and training, discrimination and child labour.⁸ The policy aims to achieve wider societal benefits

through ethical principles such as requiring "suppliers [to] have systems in place to ensure high standards of propriety which make sure public money is used for the purpose it is intended." Defra was able to point more easily than some Departments, to mechanisms which existed throughout the commissioning and procurement process including pre and post award stages.

Case study – Embedding the College of Policing’s Code of Ethics

The College of Policing’s Code of Ethics is applicable to all members of the police force and places an additional responsibility on chief officers and leaders to promote and reinforce the Code amongst the wider police force. In its recent report on local police accountability - *Tone from the top - leadership, ethics and accountability in policing?*, the Police Superintendents Association of England and Wales, shared with the Committee evidence from the Thames Valley police force about their experience embedding the Code of Ethics. The research found that the most effective code was part of a broader programme of culture change and should be regularly reinforced and monitored.

Thames Valley Police Force research - Code of Ethics	
What works	What hurts
Value-based approach to ethics programmes	
Ethical culture, supported by ethical programme	Standalone ethical programme
Ethical discussion and rewarding ethical behaviour	Too much focus on punishing lack of compliance to the code Unquestioning obedience
Focus on colleagues or society	Focus on self-interest
More time for decision-making promotes ethical behaviour	Rushed decision-making encourages unethical behaviour
Challenging unethical practice	Ignoring unethical practice
Peer influence (positive)	Peer influence (negative)
Thoughtful implementation of goals and targets	Carelessly implemented goals and targets
Regularly reinforcing ethical behaviours Immersive ethical training	

More important for people to know that the organisation is fully committed to code, rather than knowing all the content of the Code of Ethics	
Moral reasoning by leaders	
Fairness and respect	

PwC ethical decision making

Tina Hallett
PwC Partner, Government and
Public Sector Leader:

High ethical standards can and should be achieved by any public service provider. The sector they come from is not material as long as expectations are made clear and there exists a culture which supports good behaviour and promotes prompt action whenever people fall short.

PwC the professional services network reinforces the messages of induction by making it clear that ethics is integral to the operation of the firm. PwC has a dedicated Ethics and Business Conduct section on its website, which includes a code and a framework for ethical decision making, as well as a list of ethics questions to consider when making day-to-day decisions.¹⁰ There is a clear narrative that ethical standards are integral and important, which in turn make the messages of induction that much more likely to be absorbed and taken seriously.

Summary of ethics questions to consider

1. Is it against PwC or professional standards?
2. Does it feel right?
3. Is it legal?
4. Will it reflect negatively on you or PwC?
5. Who else could be affected by this (others in PwC, clients, you, etc.)?
6. Would you be embarrassed if others knew you took this course of action?
7. Is there an alternative action that does not pose an ethical conflict?
8. How would it look in the newspapers?
9. What would a reasonable person think?
10. Can you sleep at night?



Case study – Network Rail

‘Our reputation and future depends on us all behaving with integrity in everything we do’

Mark Carne, CEO

On the 1st September 2014 Network Rail was reclassified as a public sector body. While passengers won't have noticed a difference to the running of the railway, the impact on some areas of our work has been more pronounced.

One consequence of our new status is that we are now subject to the principles of public life. These are an important reminder to everyone who works for or does business with Network Rail of the importance of acting with the highest possible levels of integrity. We welcome the scrutiny and accountability that comes with being part of the public sector, and strongly believe that an open, ethical and fair culture is fundamental to how we operate, every day.

But our work to drive the highest levels of business behaviour is not a knee jerk response to reclassification. We have had a Code of Business Ethics for a long time, and it is complemented by a busy business ethics programme. Our priority this year is delivering ethics training to all our staff – our training packages all have the principles of public life running through them. The Code is supported by a number of policies including anti bribery, gifts & hospitality, conflict of interests, social media and speak out (whistleblowing). We have also set up a register for gifts, hospitality and conflicts of interests called iEthics, and a confidential whistleblowing service, Speak Out.

We launched Speak Out in its current form in 2012 to help our employees and contractors report ethical misconduct. They can do so over the phone or through a secure website. Use of the service has increased steadily over its lifetime, and we have also seen a gradual decrease in the proportion of users who choose to report anonymously. We think this shows that people are beginning to feel more comfortable speaking out about suspected wrongdoing, which is an important indicator of our progress towards the culture we want across the company.

We still have work to do to change the culture of our organisation, but we think we are on the right path. Network Rail has a responsibility to the nation to run a safe, reliable railway, and ethical values like openness, integrity and accountability are at the core of our ability to do so.

Case study – Dudley Metropolitan Borough Council “Supplier Code of Practice”

“Supplier Code of Practice” sets out the values, principles and standards Dudley Council expects of itself and its suppliers. It covers the Seven Principles of Public Life and their application to employees and suppliers, and specific expectations in relation to bribery and corruption, gifts and hospitality, conflicts of interest, fraud, deception and dishonesty, false claims, unfair trading and competition and environmental issues. It also provides details of how to raise any concerns that the code is not being complied with.

<http://www.dudley.gov.uk/business/do-business-with-the-council/tenders-and-contracts/trade-with-dudley/>

Councillor Pete Lowe:

“As Leader of Dudley Metropolitan Borough Council I want everyone to help us work in partnership to deliver high quality services which recognise our commitment to the highest standards of ethics and conduct. Our Council Plan reflects on this by including a key message of everyone articulating and living up to a set of values and behaviours that support good governance.

The public expect the highest standards of ethics from all suppliers of public services and our message to staff and suppliers is clearly articulated in our “Supplier Code of Practice”. We will be asking major suppliers to confirm that they adhere to the Code in all their dealings with the Council and residents of Dudley. We have a Code of Conduct for employees and councillors which also set out our requirement for them to demonstrate the highest standards of conduct”



Case study – Sodexo Public Sector Pledge

In the UK and Ireland, Sodexo employs around 34,000 people across 1,850 locations in the corporate, healthcare, education, leisure, justice and defence sectors. Sodexo delivers a range of services, from catering and hospitality, cleaning, reception to asset management, security, laboratory and grounds maintenance services.

As a company with half its business in the public sector, in 2015 Sodexo published its Public Sector Pledge. The aim of the Pledge is to be an 'ethical manifesto' identifying key public service areas and initiatives which Sodexo will publicly measure and report on annually. Areas covered by the Pledge include client satisfaction reviews, outcome based contracts, business integrity codes and adoption of the living wage.

The pledge focuses on three key themes:

1. Fully committed to consistent delivery of our promises, your outcomes, and your value for money;
2. Transparent and truly ethical in how we deliver in our use of public money, and in our conduct;
3. Enhancing quality of life and social justice in our communities through a genuine social conscience.

Through this pledge Sodexo states it hopes to achieve better public services, end stereotypes, to grow and succeed as a business and to do the right thing.

In June 2015, Sodexo joined the Living Wage Foundation's Recognised Service Provider scheme, committing to implement the UK and London Living Wage for all employees working in its head offices in London, Glasgow, Stevenage, Leeds, Salford and Swindon. The commitment also means that Sodexo will, wherever permitted, submit a Living Wage alternative in all its bids and will promote the adoption of the living wage to its clients.

Sodexo intends to publish the progress it has made with each of the commitments within the Pledge around the middle of 2016.

<http://uk.sodexo.com/uk/en/corporate-responsibility/responsible-employer/public-service-pledge.aspx>

Merlin Standard is designed to recognise and promote sustainable excellence within supply chains. Its aim is to encourage excellent supply chain management and to ensure fair treatments of partners and subcontractors by the Prime Contractor. The principles on which it is built include Conduct and elements of the assessment of the organisation validated by supply chain partners includes such criteria as "culture in which communication is open, honest and without unreasonable constraint", "procurement processes are fair and transparent", it "actively seeks users feedback...to inform and improve practices."

www.merlinstandard.co.uk



About the Committee on Standards in Public Life

1. The Committee on Standards in Public Life is an advisory Non-Departmental Public Body (NDPB) sponsored by the Cabinet Office. The Chair and members are appointed by the Prime Minister. The Committee was established in October 1994, by the then Prime Minister, with the following terms of reference:

“To examine current concerns about standards of conduct of all holders of public office, including arrangements relating to financial and commercial activities, and make recommendations as to any changes in present arrangements which might be required to ensure the highest standards of propriety in public life.”

2. The remit of the Committee excludes investigation of individual allegations of misconduct.
3. On 12 November 1997 the terms of reference were extended by the then Prime Minister:

“To review issues in relation to the funding of political parties, and to make recommendations as to any changes in present arrangements.”

4. A triennial review of the Committee was carried out in 2012, the report of which was published by the Government in February 2013. As a result, on 5 February 2013, the terms of reference of the Committee were clarified in two respects: ‘... in future the Committee should not inquire into matters relating to the devolved legislatures and governments except with the agreement of those bodies’ and ‘...the Committee’s remit to examine “standards of conduct of all holders of public office” [encompasses] all those involved in the delivery of public services, not solely those appointed or elected to public office.’

Membership of the Committee

The Lord Bew (Chair)
The Lord Alderdice
The Rt Hon Dame Margaret Beckett DBE MP

Sheila Drew Smith OBE
Patricia Moberly
Richard Thomas CBE
Dame Angela Watkinson DBE MP
Monisha Shah

The Committee’s previous reports

5. The Committee has previously published the following reports.
 - Tone from the Top - leadership, ethics and accountability in policing, June 2015
 - Ethical standards for providers of public services, June 2014
 - Strengthening Transparency Around Lobbying, November 2013
 - Standards Matter: A review of best practice in promoting good behaviour in public life (Fourteenth Report), Cm 8519, January 2013

- Political party finance: Ending the big donor culture (Thirteenth Report), Cm 8208, November 2011
 - MPs' expenses and allowances: Supporting Parliament, safeguarding the taxpayer (Twelfth Report), Cm 7724, November 2009
 - Review of the Electoral Commission (Eleventh Report), Cm 7006, January 2007
 - Getting the balance right: Implementing standards of conduct in public life (Tenth Report), Cm 6407, January 2005
 - Defining the boundaries within the Executive: Ministers, special advisers and the permanent civil service (Ninth Report), Cm 5775, April 2003
 - Standards of conduct in the House of Commons (Eighth Report), Cm 5663, November 2002
 - Standards of conduct in the House of Lords (Seventh Report), Cm 4903, November 2000
 - Reinforcing standards: Review of the First Report of the Committee on Standards in Public Life (Sixth Report), Cm 4557, January 2000
 - The funding of political parties in the United Kingdom (Fifth Report), Cm 4057, October 1998)
 - Review of standards of conduct in executive NDPBs, NHS trusts and local public spending bodies (Fourth Report), November 1997
 - Local government in England, Scotland and Wales (Third Report), Cm 3702, July 1997
 - Local public spending bodies (Second Report), Cm 3207, June 1996
 - Members of Parliament, ministers, civil servants and quangos (First Report), Cm 2850, May 1995
6. The Committee is a standing Committee. It can not only conduct inquiries into areas of concern about standards in public life, but can also revisit those areas and monitor whether and how well its recommendations have been put into effect.

Seven principles of public life

The Seven Principles of Public Life¹¹ apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the civil service, local government, the police, courts and probation services, NDPBs, and in the health, education, social and care services. All public office-holders are both servants of the public and stewards of public resources. The Principles also have application to all those in other sectors delivering public services.

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must 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 in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Committee on Standards in Public Life

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<https://www.gov.uk/government/organisations/the-committee-on-standards-in-public-life>

References

¹ <https://www.gov.uk/government/publications/ethical-standards-for-providers-of-public-services>

² [1] Julius, D., *Public Services Industry Review*, 2008, Retrieved 15 July 2013: <http://www.bis.gov.uk/files/file46965.pdf>. Note that this estimate includes services procured by government to support service delivery cited in Institute for Government 2012 Testing New Commissioning Models A guide to help policy makers learn about publically funded markets.

[2] *The role of major contractors in the delivery of public services*. National Audit Office HC 810 Session 2013-14 12 November 2013.

[3] CBI, *A Value Driven Public Services Sector* page 6 Oxford Economics analysis for CBI.

³ Committee of Public Accounts Transforming contract management Twenty-third report of Session 2014-15 HC 585 10 December 2014

⁴ National Audit Office Report, Cabinet Office, Transforming government's contract management, para 3.17. HC 269 Session 2013-14, 4 September 2014.

⁵ Oral evidence: Contract management within central Government Wednesday 10 September 2014 HC 586 p, 6.

⁶ CSPL Blog 26 March 2015 <https://cspl.blog.gov.uk/2015/03/26/commissioners-and-businesses-can-achieve-high-ethical-standards-by-working-together/>

⁷ <https://www.cips.org/en-GB/training-courses/Ethical-Procurement-and-Supply-/>

⁸ Ethical Procurement Policy Statement March 2011. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/69421/ethical-procurement-policy-statement.pdf

⁹ <https://www.gov.uk/government/publications/tone-from-the-top-leadership-ethics-and-accountability-in-policing>

¹⁰ See <http://www.pwc.com/gx/en/ethics-business-conduct/code-of-conduct.jhtml>, and <http://www.pwc.com/gx/en/ethics-business-conduct/ethics-questions.jhtml>

¹¹ The Seven Principles were established in the Committee's First Report in 1995; the accompanying descriptors were revised following a review in the Fourteenth Report, published in January 2013.

