

First Code of Conduct

This Code of Conduct is the first of a series produced by Partnerships UK for its stakeholders, its clients, its employees and its shareholders. The Codes will address issues arising from Partnerships UK's role as a PPP and its public sector mission.

Introduction

1. Following the Treasury's sale of its majority stake in Partnerships UK plc (PUK), PUK is now a public private partnership in its own right, with 51% of its shares owned by the private sector, and 49% owned by the Treasury and Scottish Ministers. No private sector shareholder holds more than 7% of the shares in PUK. Click on the link for a list of [PUK's private sector shareholders](#).

2. This Note sets out how PUK will operate in its dealings with its shareholders, and the safeguards that exist for the public sector when it uses PUK. The relevant audit bodies for national and local government and the NHS in England, Wales and Northern Ireland have been consulted in its preparation. Audit Scotland has not been able to comment on the development of this particular Code, but PUK will continue to seek Audit Scotland's views on future codes.

PUK's Constitution

3. PUK's public sector mission is enshrined in its constitution. PUK will work for the public sector, and only for the public sector. An [Advisory Council](#) (made up exclusively of public sector appointees) oversees the work of PUK, and the Treasury retains a significant interest in PUK's work.

4. The directors of PUK are drawn from the public and private sector (two of whom are nominated by HM Treasury). Click here for [list of directors](#). No director has been nominated by a private sector shareholder or holds a remit to serve any individual private sector shareholder. All directors are required to declare any interests on a matter coming before the Board of PUK.

PUK's Commitment to the Public Sector

5. PUK is committed to serving the public sector well, and helping to deliver better, faster, stronger PPPs. As part of this commitment PUK will be transparent about its activities. PUK understands that it must be seen to act with the utmost propriety in all its activities. Moreover, the directors and employees of PUK must serve, and be seen to be serving the interests of the public sector to the highest standard.

6. PUK has adopted this internal code of conduct to govern its relationships with its shareholders. The code is of relevance to PUK's public sector clients, its directors, its employees and its shareholders. It addresses specifically the use of information within PUK and deals with concerns about conflicts of interest caused by PUK having private sector shareholders.

Use of Information

7. PUK understands that it is important that public bodies can rely upon PUK to keep information confidential. In relation to the use of information within PUK, the following code has been adopted:

- All PUK employees and associates will have contractual obligations of confidentiality in their terms of engagement, and PUK's terms of business with the public sector will stipulate non-disclosure of confidential information;
- If requested PUK will require its employees and associates to enter into individual non-disclosure undertakings on specific projects;
- Project-specific information that is shared with the Board of PUK will be limited to information relating to the commercial position of PUK; i.e. the risks to be taken by PUK under a Development Partnership Agreement. If information relating to an individual procurement process needs to be put to the Board e.g. the evaluation of tenders it will be rendered anonymous. The PUK Board will never have a role in tender evaluation on a project;
- Shareholders will not have access to specific project information that is not in the public domain.

8. On this basis PUK is confident in stating that PUK will not make improper disclosure of information in its control and that, in particular, PUK's private sector shareholders will have no privileged access to information relating to PUK or its public sector clients.

Conflicts of Interest

9. PUK does not believe its status as a PPP should give rise to any conflict of interest concerns for the public sector. A number of factors contribute to this belief:

- A public body retains control over its procurement decisions and it is not in PUK's power to make decisions about the award of a PPP contract;
- PUK's directors are not nominated by its private sector shareholders, and hold no remit to represent any individual private sector shareholder;
- PUK has no commercial interest in its shareholders. PUK will not own shares in its shareholders, and will not enter into contracts with its shareholders for the receipt of or the provision of services. This means that PUK could not be asked by a shareholder to accept remuneration for promoting the interest of the shareholder on a particular PFI/PPP deal.
- Any involvement of a PUK shareholder in a procurement will be entirely transparent to the public sector client.

10. In order to provide added reassurance, PUK has adopted the following code of practice:

- PUK will always put the interests of its public sector client before the individual interests of a shareholder;
- PUK will publish the other interests of its Directors on its website;
- PUK's employees will make annual declarations of any personal shareholdings in PUK's private sector shareholders;
- In the event that PUK is supporting the public sector on a project and is aware that one of its shareholders is involved in any part of the bidding process, PUK will:
 - Formally notify relevant public sector clients as soon as it becomes aware of the involvement; and
 - Agree with the public sector client a procedure for dealing with any potential or perceived conflicts.

Conclusions

11. This Note has been approved by The Advisory Council. It has been sent to all shareholders in PUK.

12. PUK believes that its status as a PPP will produce real benefits for the public sector. PUK is happy to answer any questions the public sector may have about its new role.