



Centaur Housing Associations (CHA)

Code of Conduct

Version: 1

Status: Approved

Reason: Ensure probity and build resilience

Approval Date: 22 August 2016

Review Date: 22 August 2017 (of before if required)

Responsible Officer: Company Secretary

Prepared By: CEO

CHA's CODE OF CONDUCT

1. Introduction

- 1.1 An updated Code of conduct 2012 and associated good practice and excellence guidance has been issued by the National Housing Federation (NHF) to help members achieve the highest standards of conduct and safeguard the sector's longstanding reputation for integrity.
- 1.2 The updated Code of Conduct distinguishes between the Code itself – with which Federation members are expected to comply – and good practice guidance that members may choose to follow wholly or in part. As with Excellence in governance, the Code of Conduct comprises a set of main principles and provisions.
- 1.3 The main principles define each section, providing clarity on excellence in conduct. The provisions underpin the main principles/ they highlight the key measures – the policies, procedures and processes, registers – which housing associations like Centaur HA must have in place to comply with the main principles.
- 1.4 The Code of Conduct for the association, which was approved by the Board on 22 August 2016 is attached at **Appendix 1: The Code of Conduct.**
- 1.5 At **Appendix 2** is the **Code of Conduct with Associated Good Practice and Excellence**. This repeats the Code, and also includes the NHF's associated good practice and excellence guidance which is not part of the Code of Conduct and is not mandatory, but is intended to help Associations to interpret and implement the main principles and provisions of the Code.
- 1.6 An approved Declaration of Interests Form for use by all Board members, all staff and involved residents is attached at **Appendix 3: Declaration of Interests Form.**

- 1.7 The Code of Conduct takes account of key legislative and regulatory requirements. Section 122 of the Housing and Regeneration Act 2008 (which replaced schedule 1 of the Housing Act 1996) is reproduced at **Appendix 4: Section 122 of the Housing and Regeneration Act 2008.**

2. APPLICATION OF THE CODE

- 2.1 The Code of Conduct defines a standard against which CHA can assess its own documentation. As with the Federation's Code of Governance, CHA is expected either to comply with the code in full or to be able to explain the reasons for areas of non-compliance. Federation members are expected to provide an annual statement of compliance with the Code and make a reasoned statement about any areas where they do not comply.

3. GUIDING PRINCIPLES

- 3.1. The Code's provisions relate to the main areas where attention to probity and propriety need to be exercised. It does not claim to be a comprehensive blueprint nor a substitute for the exercise of judgement as to what constitutes proper conduct. CHA, its Board members, staff and involved residents will inevitably face situations not directly addressed by the Code. In such situations the recommendation from the Federation to its members is that they should be guided by the seven Principles of Public Life established by the Committee on Standards in Public Life. These values are of selflessness, integrity, objectivity, accountability, openness, honesty and leadership. These are set out for information at **Appendix 5: Principles of Public Life.**

4. CONSTITUTIONS

- 4.1 It is expected that the Association will adopt constitutions, legal instruments, standing orders, financial regulations, and other governance frameworks which support and enable implementation of the Code. The Associations 'governance toolkit' documents should be kept up to date and reflect the current company, Co-operative and Community Benefit Societies Act 2014 law and statutory provisions.

Appendices

Appendix 1: The Code of Conduct

Appendix 2: The Code of Conduct with Associated Good Practice and Excellence

Appendix 3: Declaration of Interests Form

Appendix 4: Section 122 of the Housing and Regeneration Act 2008

CHA's

The Code of Conduct

Appendix 1 contains the Code of Conduct for CHA; its main principles and provisions. Separately in Appendix 2, the Code of Conduct is replicated and also includes supporting good practice and excellence guidance.

CONTENTS

- A Probity
- B Loyalty and conflicts of interest
- C Remuneration
- D Personal Benefit
- E Prevention of bribery and corruption
- F Respect

THE MAIN PRINCIPLES OF THE CODE

A Probity: Housing associations must maintain the highest standards of probity and conduct.

B Loyalty and conflicts of interest: Housing associations must ensure that their board members, staff and involved residents act, and are seen to act, wholly in the interests of the organisation and its residents and other service users. All actual or potential conflicts or dualities of interest must be openly declared and properly resolved.

C Remuneration: Remuneration decisions must be lawful, transparent, fair and proportionate.

D Personal Benefit: Housing associations must demonstrate that board members, staff and involved residents, and those with whom they are closely connected, receive no preferential consideration in the provision of benefits such as housing accommodation or employment.

E Prevention of bribery and corruption: Housing associations must adopt and comply with appropriate policies and procedures to prevent bribery and corruption.

F Respect: Housing associations must adopt and promote standards to ensure that the conduct of board members, staff and involved residents at meetings, events, and in the workplace demonstrate respect for all and promotes the values of the organisation.

A PROBITY

Main principle

Housing associations must maintain the highest standards of probity and conduct.

Provisions

A1 Associations must comply in full with the principles and provision of this code or openly explain areas of non-compliance.

A2 Associations must adopt, and comply with, a set of policies and procedures for ensuring compliance with statutory and regulatory requirements and this code, and for dealing with any breaches.

A3 Associations must adopt, and ensure compliance with, a code of conduct for their board members, staff and involved residents aimed at upholding the highest standards of probity and conduct.

A4 The responsibilities of individual board members, staff and involved residents with regard to probity and conduct must be clearly set out in their terms of appointment and form part of their induction training.

A5 Associations must use reasonable endeavours to ensure that contractors directly involved in delivering the association's business activities are obliged to comply with the association's relevant policies, procedures and codes of conduct.

A6 Associations must encourage board members, staff or others with serious concerns about any aspect of their work to come forward and express those concerns and must adopt, and comply with, appropriate policies and procedures for handling any such concerns.

A7 Associations must promote a culture of transparency and accountability, consistent with the needs of the organisation.

B LOYALTY AND CONFLICTS OF INTEREST

Main principle

Housing associations must ensure that their board members, staff and involved residents act, and are seen to act, wholly in the interests of the association, its residents and other service users. All actual or potential conflicts or dualities of interest must be openly declared and properly resolved.

Provisions

- B1.** Associations must have, and comply with, appropriate policies to ensure that no conflict arises, or could reasonably be perceived to arise, between the duties of the board members, staff, involved residents and their personal interests, financial or otherwise.

- B2.** The requirement on board members, staff and involved residents to act and be seen to act, wholly in the interests of the association, its residents and other service users – and their responsibilities in this regard – must be clearly set out in their terms of appointment and form part of their induction training.

- B3.** A register of interests, in which all interests declared by board members, staff and involved residents are recorded, must be maintained and be available for public inspection.

- B4.** Where a potential conflict has arisen, the organisation and the person concerned must consider how to ensure that it has been dealt with so as to protect the association and its reputation; in certain circumstances, this could include the resignation of the person concerned.

C. REMUNERATION

Main principles

Remuneration decisions must be lawful, transparent, fair and proportionate.

Provisions

- C1.** Housing associations must have, and comply with, formal and transparent procedures for developing policy on board and executive remuneration, for determining remuneration levels and for authoring any on-contractual payments to staff or payments to residents.

- C2.** Levels of executive staff remuneration should be sufficient to attract, retain and motivate staff of the quality required to run the association successfully and deliver its strategic aims, but associations must avoid paying more than is necessary for this purpose.

- C3.** Levels of board members pay must be proportionate to the association's size, complexity and resources.
- C4.** Payment of board members must be linked to members collectively and individually carrying out specific functions against which performance is reviewed.
- C5.** An annual disclosure must be made in the associations certified accounts on the level of payment made to the chair and individual board members, and the level of the chief executive remuneration.

D. PERSONAL BENEFIT

Main principles

Benefits such as housing accommodation or employment. Housing associations must demonstrate that board members, staff, involved residents and those with whom they are closely connected, receive no preferential consideration in the provision of

Provisions

- D1.** Associations must have, and comply with, fair and transparent policies relating to the provision of housing accommodation for board members, staff, involved residents or others to whom such persons are closely connected.
- D2.** Associations must have, and comply with, fair and transparent policies relating to the offer of employment to involved residents or board members or persons who are closely connected to a board member, member of staff or involved resident.
- D3.** Associations must have, and comply with, fair and transparent guidelines for the provision of social and welfare benefits to board members, staff, involved residents or others to whom such persons are closely connected.

E. PREVENTION OF BRIBERY AND CORRUPTION

Main principles

Housing associations must adopt and comply with appropriate policies and procedures to prevent bribery and corruption.

Provisions

- E1.** Associations must comply with anti-bribery legislation. They must adopt, and comply with, anti-bribery and corruption policies.

E2. Associations must have, and comply with, procedures relating to the giving, receipt and recording of gifts, hospitality and other benefits by board members, staff, involved residents and others directly involved in delivering the association's business activities.

E3. The requirement on board members, staff and involved residents to comply with the associations anti-bribery and corruption policies and procedures – and their responsibilities in this regard – must be clearly set out in their terms of appointment and form part of their induction training.

E4. Associations must exercise due diligence in dealing with consultants, contractors, suppliers, joint venture partners and agents to ensure that they have anti-bribery and corruption policies and procedures that are consistent with their own.

E5. Associations must be aware of and comply with s122 of the Housing and Regeneration Act 2008, which restricts the making of gifts, and the payment of dividends and bonuses, to members of registered providers and certain other people and organisations.

F. RESPECT

Main principles

Housing associations must adopt and promote standards to ensure that the conduct of board members, staff and involved residents at meetings, events, and in the workplace, demonstrate respect for all, and promotes the values of the organisation.

Provisions

F1. Housing associations must have policies and procedures that enable them to address promptly and effectively any failure to adhere to required standards of conduct at meetings, events and in the workplace.

F2. The responsibilities of board members and involved residents with regard to meeting attendance, preparation and conduct must be clearly set out in their terms of appointment and form part of their induction training.

Appendix 2.

THE CODE OF CONDUCT FOR CHA WITH ASSOCIATED GOOD PRACTICE AND EXCELLENCE

Appendix 2 replicates Code of Conduct; its main principles and provisions; and also includes as well the NHF's supporting good practice and excellence guidance.

CONTENTS

- A Probity
- B Loyalty and conflicts of interest
- C Remuneration
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Provisions

A1 Associations must comply in full with the principles and provision of this code or openly explain areas of non-compliance.

A2 Associations must adopt, and comply with, a set of policies and procedures for ensuring compliance with statutory and regulatory requirements and this code, and for dealing with any breaches.

A3 Associations must adopt, and ensure compliance with, a code of conduct for their board members, staff and involved residents aimed at upholding the highest standards of probity and conduct.

A4 The responsibilities of individual board members, staff and involved residents with regard to probity and conduct must be clearly set out in their terms of appointment and form part of their induction training.

A5 Associations must use reasonable endeavours to ensure that contractors directly involved in delivering the association's business activities are obliged to comply with the association's relevant policies, procedures and codes of conduct.

A6 Associations must encourage board members, staff or others with serious concerns about any aspect of their work to come forward and express those concerns and must adopt, and comply with, appropriate policies and procedures for handling any such concerns.

A7 Associations must promote a culture of transparency and accountability, consistent with the needs of the organisation.

SECTION 'A' – PROBITY: GOOD PRACTICE AND EXCELLENCE

1. Responsibility should be assigned, at both senior officer and board level, for ensuring that appropriate policies and procedures are developed, implemented, complied with and kept under review to ensure that they continue to reflect statutory and regulatory requirements and good practice.

Policies and procedures

2. The association's policies and procedures for ensuring compliance with statutory and regulatory requirements and the highest ethical standards should cover: (1) the conduct of the board members, staff, involved residents and contractors;
 - (1) Declaration of interest;
 - (2) Openness and transparency;
 - (3) Bribery and corruption (including gifts and hospitality)
 - (4) Payments and benefits;
 - (5) Remuneration and expenses;
 - (6) Fraud;
 - (7) Procurement of goods and services;
 - (8) Data protection;
 - (9) Equality and diversity;
 - (10) Bullying and harassment;
 - (11) Meeting conduct;
 - (12) Use of the association's funds and other resources (including IT)
 - (13) Health, safety and security;
 - (14) Alcohol, illegal drugs and substance abuse;
 - (15) Complaints and feedback;
 - (16) Confidential reporting (whistle-blowing)

3. Policies, procedures and codes should be readily accessible – in terms of their structure, language and format – to board members, staff and involved residents.

Training and awareness

4. As set out in the provisions of the code, the responsibilities of individual board members, staff and involved residents with regard to probity and conduct must be included in their terms of appointment and form part of their induction training. Arrangements should be made to ensure that staff employed by agencies or on secondment from other organisations are similarly made aware of their responsibilities in this regard. Others directly involved in delivering the association's business activities – such as consultants, contractors and agents, should also be required, in their terms of appointment, to comply with relevant policies, procedures and codes of conduct.
5. Residents who are not considered to be 'involved residents' but who participate in scrutiny or other activities for the association should be made aware as part of their initial briefing that they are required to behave in an appropriate manner. Key requirements should cover: general conduct including respect for others, adherence to data protection and information handling procedures, adherence to guidelines relating to impartiality and conflicts of interest.
6. Training programmes on key aspects of probity and conduct, and arrangements for regular refresher training, should be developed, implemented and monitored for board members, staff and involved residents.

Access to advice

7. Arrangements should be made to ensure that board members, staff and involved residents have access to expert and up-to-date advice and guidance. This is likely to include:
 - (1) Employing a suitably qualified and experienced company secretary or equivalent;
 - (2) Assigning 'lead responsibility' to individual senior officers, and/or board members, for key areas such as ensuring compliance with data protection legislation or preventing bribery.

Arrangements should also be made to ensure that the board has access to appropriate sources of external advice.

Compliance

8. Arrangements should be made for regular monitoring of compliance with policies, procedures and codes, including by internal and external audits.
9. Staff and board member supervision and appraisal arrangements should explicitly cover compliance with the code and the policies and procedures that underpin it. Any areas of non-compliance should be addressed promptly, robustly and effectively.
10. Associations should ensure that any alleged or suspected material breaches of the code, or the policies and procedures that underpin it, are appropriately investigated and, where necessary, corrective action fully and quickly implemented.

Response plan

11. Associations should adopt, and comply with, an appropriate set of response plans, providing a checklist of actions and guidance to be followed where serious concerns arise. Response plan should cover:
 - (1) Whistle-blowing – where a serious concern is raised on a confidential basis about any aspect of the association’s work or the conduct of individuals. The charity Public Concern at Work2 can assist in matters relating to whistle-blowing.
 - (2) Fraud and bribery – in the event that fraud or bribery is suspected.
12. Response plan should include informing the regulator at an early stage where a significant breach of legal or regulatory requirements is alleged or suspected or where any other serious concern arises.

Transparency and openness

13. Associations should adopt, and comply with, a policy of transparency and openness that complies with the relevant principles and provisions of the Federation's Excellence in governance (Section 1. 'Openness, transparency and accountability') and takes account of the Federation's guidance in Excellence in service delivery and accountability (Section B 'Accountability').

14. In determining their policy and practice in this area, associations should take account of current and evolving best practice across government and the wider public and charitable sectors.

Other guidance

15. Other documents setting out policies, procedures, strategies and guidelines that cover aspects of probity and conduct are likely to include:
 - (1) Staff recruitment policy, remuneration framework, employment terms and conditions, staff rules;
 - (2) Board member recruitment policy, competency framework, remuneration framework, appraisal framework;
 - (3) Role descriptions for board members and involved residents;
 - (4) Code of governance;
 - (5) Financial principles, regulation and standing orders;
 - (6) Shareholding policies;
 - (7) Risk management framework;
 - (8) Efficiency and value for money strategy;
 - (9) Internal controls, internal and external audit procedures; service standards;
 - (10) The organisations constitution and standing orders.

B LOYALTY AND CONFLICTS OF INTEREST

Main principle

Housing associations must ensure that their board members, staff and involved residents act, and are seen to act, wholly in the interests of the association, its residents and other service users. All actual or potential conflicts or dualities of interest must be openly declared and properly resolved.

Provisions

- B1.** Associations must have, and comply with, appropriate policies to ensure that no conflict arises, or could reasonably be perceived to arise, between the duties of the board members, staff, involved residents and their personal interests, financial or otherwise.
- B2.** The requirement on board members, staff and involved residents to act and be seen to act, wholly in the interests of the association, its residents and other service users – and their responsibilities in this regard – must be clearly set out in their terms of appointment and form part of their induction training.
- B3.** A register of interests, in which all interests declared by board members, staff and involved residents are recorded, must be maintained and be available for public inspection.
- B4.** Where a potential conflict has arisen, the organisation and the person concerned must consider how to ensure that it has been dealt with so as to protect the association and its reputation; in certain circumstances, this could include the resignation or the person concerned.

SECTION B – LOYALTY AND CONFLICTS OF INTEREST: GOOD PRACTICE AND EXCELLENCE

Recruitment

1. In the recruitment of board members, staff and involved residents, careful consideration should be given where the interests of the individual – or a person with whom he or she is closely connected – indicate an actual or potential conflict with those of the association. Where, after proper scrutiny, the evidence shows that there is likely to be an actual or potential serious or continuing conflict of interest, an appointment should not be made.

Declaration of interest

2. On appointment, board members, staff and involved residents should be required to complete a form to register any personal financial and other interests that could potentially conflict with their role. Board members should be required to complete, sign and submit their initial declaration of interest form before attending their first meeting as a board member.
3. Board members, staff and involved residents should be required to amend their declaration of interest form whenever a change occurs – in either their own interests or those of a person closely connected to them – which could potentially conflict with their role.
4. Board members and involved residents should be required to review their continuing membership or involvement, and if necessary take advice on whether they should stand down, when changes occur in either their own interests or those of a person closely connected to them, which may give rise to a potentially serious or continuing material conflict with those of the association.
5. Declaration of interest forms submitted by board members, senior staff and involved residents should be reviewed on receipt by the company secretary or equivalent. The forms should be counter-signed and dated by the company secretary to acknowledge receipt and confirm that, to the best of his or her knowledge, the form has been completed correctly. It is not expected that the company secretary would make enquiries to verify the accuracy of declarations of interest but that he or she would apply their knowledge of the individual's circumstances and of the information provided on earlier declarations.
6. Although review by the company secretary can provide a useful check that no obvious errors have been made, it is stressed that it is the responsibility of the individual board member, member of staff or involved resident to ensure that their interests are fully, properly and promptly declared.

Wrongful declarations/failure to declare

7. Where there is evidence that an individual has withheld information or provided misleading information about their interests or those of a person closely connected to them – whether deliberately or through taking insufficient care in making a declaration – the board should consider removal from membership or, in the case of a member of staff, disciplinary action or dismissal.

Defining interests

8. 8 Relevant personal interests take many forms, including:
 - (1) employment, self-employment;
 - (2) company directorships, business partnerships;
 - (3) ownership or significant shareholding in a company or partnership providing products or services to the housing association sector;
 - (4) significant ownership of land and/or property in the area of operation of the Association;
 - (5) tenancy or leasehold interest of a property owned by the association;
 - (6) membership of a campaigning, residents' or community association which has interests in the business and/or operation of the association;
 - (7) positions of public responsibility;
 - (8) membership of another association or unregistered 'not-for-profit' body with interests in the area of operation of the association; (9) membership of secret societies and similar organisations.
9. In the interests of transparency, membership of political parties, secret societies and pressure groups should always be declared. Membership of other boards or committees within the same group structure should also be declared, if only for the record.
10. Board members should declare if they are newly disqualified from acting as a company director or charity trustee. Any current or spent disqualifications should have been declared prior to appointment as a board member.
11. Board members who serve on the board as nominees of a local authority should regard such a nomination as a declarable interest in itself. A more direct interest – such as a proposed development in a councillor's own ward – should also be declared. So too should any circumstance where the interests of the local authority may conflict with those of the association.
12. Board members who are the paid staff or board members of, or who provide goods and services to, other housing or not-for-profit organisations should declare their interests in those organisations.

Family members and close connections

13. A person 'closely connected' to a board member, member of staff or involved resident includes family members and persons with whom the individual has a close association.
14. A 'family member' should be given a very wide meaning and include persons who might reasonably be regarded as similar to family members even where there is no relationship by birth or in law.
15. The Terminology section gives detailed guidance on defining the terms 'family member' and 'close connection'.

16. Board members, staff and involved residents are not expected to research into the employment, business interests and other activities of all persons with whom they are 'closely connected'. However, they must not ignore the existence of interests which, from the point of view of a reasonable and objective observer, they should have been aware.

When to declare

17. No written guidance is likely to cover all circumstances in which an interest should be declared. Board members, staff and involved residents should be advised, when in doubt, to seek advice from the company secretary or equivalent. If doubt remains, the advice would always be to declare the matter.
18. Board members, staff and involved residents should be required to ensure that where an item of business arises – at a board, committee, panel or other meeting – in which they or a person closely connected to them has an interest, however slight, this is notified to the chair of the meeting. This applies whether or not the interest has already been entered in the register. Where the individual with an interest to declare is the chair, he or she should be required to notify the meeting.
19. Wherever possible, interests should be declared at the start of the meeting as an initial agenda item. There may, however, be occasions when an individual's interest becomes apparent only when the item is under consideration. In such a case the individual should declare his or her interest as soon as the interest becomes apparent. Any and all interests declared, before or during the meeting, should be recorded in the minutes.
20. Involved residents, and board members or staff who are residents of the association, should regard matters specifically concerning their individual circumstances as a clear and substantial conflict of interest. Matters affecting neighbours or other individual residents or groups of residents with whom the individual has a close association should also be regarded as a conflict. Matters affecting residents more generally need be declared only where they create a specific conflict of interest.

Dealing with declarations

21. Where the declared matter represents a clear and substantial conflict of interest – for example, where it is a financial interest or where a personal benefit may arise or be seen to arise – the individual should offer to remove him or herself from the meeting for the duration of the item. They should only remain if the meeting decides that it is appropriate and the meeting’s decision in this regard is recorded in the minutes.
22. Where the individual is invited to remain, he or she should refrain from participating in the discussion and in any decision. If the individual is invited to participate in the discussion, this should be minuted. As a general rule, all action taken to prevent any conflict of interest from arising should be recorded in the minutes.
23. The register of interests, maintained by the company secretary and available for public inspection, should state the interest and by whom it was declared but does not need to include potentially sensitive detail.
24. Charities should have regard to Charity Commission guidance on conflicts of interest for charity trustees. Companies should have regard to the Companies Act 2006 (s175).

C: REMUNERATION

Main principle

Remuneration decisions must be lawful, transparent, fair and proportionate.

Provisions

C1 Housing associations must have, and comply with, formal and transparent procedures for developing policy on board and executive remuneration, for determining remuneration levels and for authorising any non-contractual payments to staff or payments to residents.

C2 Levels of executive staff remuneration should be sufficient to attract, retain and motivate staff of the quality required to run the association successfully and deliver its strategic aims, but associations must avoid paying more than is necessary for this purpose.

C3 Levels of board member pay must be proportionate to the association’s size, complexity and resources.

C4 Payment of board members must be linked to members collectively and individually carrying out specific functions against which performance is reviewed.

C5 An annual disclosure must be made in the association's certified accounts on the level of payment made to the chair and individual board members, and the level of the chief executive's remuneration.

SECTION C – REMUNERATION: GOOD PRACTICE AND EXCELLENCE

Board remuneration

1. Housing associations contemplating the payment of board members should ensure that they have the power to do so under their rules or constitution. Guidance issued by the Federation (*Board Pay: principles and practicalities 2009*) should be considered and, if necessary, legal advice taken on whether amendments are required to permit payment.

2. The decision on whether to pay should be taken only after careful consideration of all relevant factors. Associations should pay particular attention to the following:

- (1) how payment will improve governance and encourage the recruitment and retention of board members with particular skills and knowledge currently unavailable to the association;
- (2) the method of payment to be used, such as a fixed fee or attendance allowance;
- (3) the impact payment will have on current and future board members who are in receipt of state benefits (and in particular on the attraction and retention of board members who are also tenants of the association), having regard to the fact that current benefit rules may treat payment as income even if the board member declines to accept it;
- (4) the amount of payment and any differentials to reflect specific responsibilities, such as chair, committee chair and so on;
- (5) in setting the amount, industry norms and comparables both among similar associations and other relevant comparable organisations;
- (6) the impact payment will have on the costs of the association and its services;
- (7) the views of residents and other service users and key stakeholders;
- (8) the arrangements for reviewing payment and for performance review.

3 Guidelines issued by the Federation should be considered in reaching a decision on the level of payment. It is for the board to determine the exact amount, recognising the

reputational risk to the association and the sector of setting a level which significantly exceeds that paid in similar bodies or is disproportionate to the turnover of the association.

4 Once a decision to pay has been taken, a statement should be included in the audited accounts, stating:

- (1) the amount to be paid and how it is calculated;
- (2) the proportion which the total amount paid forms of the association's annual turnover;
- (3) the arrangements for performance assessment of individual board members and for the board as a whole and for determining whether payment of board members remains appropriate.

Executive staff remuneration

5 The association should ensure that its board has responsibility for:

- (1) setting the association's overall remuneration budget;
- (2) the remuneration, recruitment and severance terms of the members of the executive team;
- (3) the appointment of the managing director & chief executive;
- (4) all executive staff contracts.

The board may choose to delegate these responsibilities to a remuneration committee. The board should ensure that it has the skills and experience, and advice from suitably qualified persons, to fulfil these responsibilities properly, fairly and in line with best practice.

6 The board should be responsible for appointing any external advisers in respect of executive staff remuneration. Where staff are involved in advising or supporting the board in these matters, care should be taken to recognise and avoid conflicts of interest.

7 In setting and reviewing the level of remuneration for the chief executive and any other executive staff, boards should give careful consideration to the following:

- (1) job content and responsibilities, based on an independent, analytical job evaluation;
- (2) the size and complexity of the business;
- (3) market comparisons drawn from independent analysis of appropriate comparators;
- (4) how executive pay and benefits fit into the overall remuneration policy of the association;
- (5) the impact of overall pay and executive costs on the association's management costs;
- (6) published guidance and industry norms.

8 In reaching a decision on the level of remuneration to be offered, boards should be mindful of the reputational risk to the association and the sector of setting a level that significantly exceeds that paid in other comparable organisations and/or is disproportionate to the management costs of the association.

9 In setting and reviewing terms and conditions for the employment of the senior executives, boards should ensure that proper consideration is given to all relevant matters and in particular to:

- (1) basic salary level, arrangements for review and the impact of increases on other benefits such as pensions;
- (2) equality of pay/benefits;
- (3) bonus payments and methods for setting and reviewing objectively measured targets;
- (4) employer's pension contributions and any additional costs associated with the provision of pensions;
- (5) any additional benefits to be provided such as car and/or allowances, relocation expenses, health insurance etc.;
- (6) notice periods which should be reasonable and which ensure that payments in lieu of notice do not exceed reasonable levels;
- (7) severance arrangements, if any, which should be reasonable and fair. In considering severance arrangements the impact on the total cost of severance, of the treatment of notice and pension arrangements should be considered.

Non-contractual payments to staff

10 Associations should establish fair and open remuneration and severance policies which limit the necessity for discretionary, non-contractual payments. Where, however, it is appropriate for consideration to be given to making discretionary payments, arrangements need to be carefully scrutinised and handled to avoid any suggestion of impropriety or discrimination.

11 Other than in respect of very small amounts, non-contractual payments should always be approved by the chief executive or other members of the executive team for staff who are not executives, and approved by the board, or a properly authorised committee, for the chief executive and members of the executive team. Where the board delegates authority to a committee, it should ensure that the delegation is clear, that the committee is of an appropriate size and composition; that meetings are formally convened and conducted and that minutes of the meeting are recorded. Delegation to small, informal, or ad hoc bodies should be avoided.

Bonus and ex gratia payments

12 Payment of performance awards should normally be in accordance with employment contracts or a separate bonus policy. Where this is not provided for, boards should only consider making a discretionary bonus payment on evidence of exceptional performance, or in exceptional circumstances, and at a level which avoids any reputational risk to the association and/or the sector.

13 *Ex gratia* payments should be considered only where no other options exist to reward or compensate staff in the light of exceptional performance or exceptional circumstances. They should be one-off payments set at a level that avoids any reputational risk to the association and/or the sector.

Severance and redundancy payments

14 Associations should ensure that they have clear, fair and open policies in respect of severance, including early retirement, and redundancy. For many organisations it will be appropriate to establish a system of authority limits which include the HR department being authorised to sanction payments up to a limit. Proposals for the award of severance and redundancy payments should always be carefully scrutinised to ensure they are reasonable, in line with the best interests of the association and are lawful. Charities need to ensure that they are consistent with their not for profit objects and in accord with any guidance.

15 In considering the amount of any severance or redundancy payment, associations should ensure that they take advice from suitably qualified persons and act in accord with published best practice. They should consider the total value of the severance package (including the costs associated with any pension arrangements and the impact of the treatment of notice where appropriate). Particular caution should be exercised in cases where staff are subject to disciplinary action that directly relates to the reason for their departure. The aim should be to avoid rewarding poor performance.

16 Settlement is likely to depend on a number of factors. Those to which boards should give particular consideration are:

- (1) reasons for departure and length of service;
- (2) (2) total value of remuneration including benefits such as pension contributions, bonuses, car and/or allowances;
- (3) any contractual entitlement to severance or redundancy and length of notice period
- (4) full costs to the association, and other impacts, of the settlement proposed, including any additional costs (over and above normal employer contributions) associated with pensions;
- (5) legal and financial risks and costs to the association, and other impacts, of failing to agree a settlement.

17 Particular care needs to be exercised in relation to the handling of executive and senior staff settlements to ensure there is no appearance of impropriety.

18 The executive (or the board if appropriate) should reach a decision on the amount of any redundancy or severance payment. In doing so it should take into account the reputational risk to the association and/or the sector of agreeing to a settlement which significantly exceeds that paid in similar circumstances in comparable organisations.

Out-of-court settlements

19 Where proposals arise for an out-of-court settlement in relation to a case referred to an employment tribunal, the executive (or the board if appropriate) should make sure that it is aware of all relevant facts and has the advice of independent legal advisers.

20 Settlements should be entertained only where a business case substantiates the necessity for early resolution, and in particular the evidence and advice received indicates any of the following circumstances:

- (1) extended delays or protracted proceedings are likely to give rise to substantial costs over and above any predicted employment tribunal settlement;
- (2) operational performance is likely to be adversely affected if the case is not resolved quickly;
- (3) defence of the action is unlikely to be successful given the nature of the claim.

21 Associations should exercise particular care to avoid any suggestion of secrecy or impropriety in cases where management failings and/or poor performance or conduct of individual staff members have resulted in the employment tribunal action.

22 It is for the board (or the executive if appropriate) to reach a decision on the amount to be offered in an out-of-court settlement. In doing so, account should be taken of the reputational risk to the association and/or the sector of agreeing to a payment that significantly exceeds that paid in similar circumstances in comparable organisations.

Payments to residents

23 The decision to make payments to residents to incentivise or reward participation or other behaviour or activity – whether in cash, shopping vouchers, ‘cash back’, or entry into a ‘prize draw’ – should be taken only after consideration of all relevant factors. Associations should pay particular attention to:

- (1) how the reward or incentive will enable the association better to meet its aims and objectives;
- (2) the views of residents and other service users and key stakeholders;
- (3) any published guidance and/or sector norms.

24 Associations should ensure that any reward or incentive scheme or arrangement, and the type and amount of payment, is:

- (1) determined by the board;
- (2) transparent, fair and proportionate;
- (3) kept under review to test whether outcomes are being achieved in line with expectations;
- (4) not susceptible to abuse;
- (5) not in contravention of s122 (see Section E and Appendix 4);
- (6) subject to effective internal and external audit.

D: PERSONAL BENEFIT

Main principle

Housing associations must demonstrate that board members, staff, involved residents and those with whom they are closely connected, receive no preferential consideration in the provision of benefits such as housing accommodation or employment.

Provisions

D1 Associations must have, and comply with, fair and transparent policies relating to the provision of housing accommodation for board members, staff, involved residents or others to whom such persons are closely connected.

D2 Associations must have, and comply with, fair and transparent policies relating to the offer of employment to involved residents or board members or persons who are closely connected to a board member, member of staff or involved resident.

D3 Associations must have, and comply with, fair and transparent guidelines for the provision of social and welfare benefits to board members, staff, involved residents or others to whom such persons are closely connected.

D4 This may not apply to certain fully mutual co-operatives, which may comply with own rules where these permit a different approach.

SECTION D – PERSONAL BENEFIT: GOOD PRACTICE AND EXCELLENCE

1 In the case of staff, entitlement to benefits, such as car and subsistence allowances, should normally be recorded as part of contractual terms and conditions. In the case of board members and involved residents, governance and resident involvement policies should establish what benefits are available to assist them in carrying out their role, for example, provision of childcare or computer facilities.

Housing accommodation

2 In the event that a member of staff, a board member, an involved resident or a person with whom he or she is closely connected, applies for housing accommodation (including where he or she is nominated by the local authority or referred by a referral agency), the association should ensure that:

- (1) there is disclosure of the individual's interest or connection;
- (2) consideration of the application is based solely on published allocation criteria;
- (3) no person having any direct personal knowledge of the applicant plays any part in the assessment or decision.

3 Provided the applicant is able to demonstrate that he or she meets all of the selection criteria, an association may decide to offer accommodation.

4 Decisions should be agreed by the board if they relate to executive staff or board members. Some associations may choose not to house board members or members of the executive staff team.

5 In cases where staff, board members, involved residents or others with whom those persons are closely connected are existing tenants and apply for a transfer or rehousing, associations should ensure that:

- (1) there is disclosure of the individual's interest or connection;
- (2) no preferential consideration is given to the application.

Involved residents, and board members or members of staff who are also tenants of the association, should not be disadvantaged in applying for either a transfer or rehousing, but should ensure that they play no part in nor exert any influence over the handling of their application.

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Employment

6 In cases where an applicant for employment is an involved resident or has close connections to a board member, involved resident or member of staff, associations should ensure that:

- (1) there is disclosure of the individual's connection;
- (2) consideration of the application is based solely on merit and suitability in relation to the requirements of the post;
- (3) no person having any personal knowledge of the applicant plays any part in the assessment or decision.

Where the connection is with a board member or a senior member of staff, the general presumption is often taken to be against offering employment.

7 Provided the applicant is able to demonstrate that he or she fully meets the post's requirements, an association may decide to offer employment. Where this concerns a senior post, that decision needs to be made only after careful consideration by the full board. Charities may need to seek the approval of the appropriate regulator when the offer concerns a person closely connected to a board member.

8 The association should have a policy on whether or not board members themselves may apply for employment. Where this is envisaged:

- (1) the applicant should immediately declare their interest and resign from the board;
- (2) there should be no presumption that the applicant would necessarily be reappointed to the board if unsuccessful in their application for employment.

9 Where the employment of a relative or other closely connected person is approved, measures should be put in place to ensure that the supervision and appraisal of the member of staff is not compromised. Relatives and others closely connected with the member of staff should not be involved in their direct line management.

Support for social or welfare purposes

11 Boards should establish general guidelines for the provision of social and welfare benefits. These should clarify the sort of situations in which it is reasonable for benefits to be given in the form of direct payments, use of premises or staff time, for example, a leaving party or gift to a long-serving member of staff.

12 Within the general guidelines set, managers should be trusted to make sensible decisions on what support to provide in individual cases. These need not be recorded and reported to the board other than in exceptional and potentially controversial cases.

Provision of services

13 Other than duly agreed remuneration (where applicable), associations should not pay board members for services provided to the association. The only exception is in respect of charities where Charity Commission dispensation has been granted for payment for professional services to trustees.

E: PREVENTION OF BRIBERY AND CORRUPTION

Main principle

Housing associations must adopt and comply with appropriate policies and procedures to prevent bribery and corruption.

Provisions

E1 Associations must comply with anti-bribery legislation. They must adopt, and comply with, anti-bribery and corruption policies.

E2 Associations must have, and comply with, procedures relating to the giving, receipt and recording of gifts, hospitality and other benefits by board members, staff, involved residents and others directly involved in delivering the association's business activities.

E3 The requirement on board members, staff and involved residents to comply with the association's anti-bribery and corruption policies and procedures – and their responsibilities in this regard – must be clearly set out in their terms of appointment and form part of their induction training.

E4 Associations must exercise due diligence in dealing with consultants, contractors, suppliers, joint venture partners and agents to ensure that they have anti-bribery and corruption policies and procedures that are consistent with their own.

E5 Associations must be aware of and comply with s122 of the Housing and Regeneration Act 2008, which restricts the making of gifts, and the payment of dividends and bonuses, to members of registered providers and certain other people and organisations.

SECTION E – PREVENTION OF BRIBERY AND CORRUPTION: GOOD PRACTICE AND EXCELLENCE

1. Housing associations should establish policies and procedures to make it clear that:

- (1) the association does not permit the giving or acceptance of lavish hospitality or expensive gifts;
- (2) modest, proportionate and appropriate activities and token memorial souvenir gifts, in keeping with the nature of the occasion, may occasionally be offered to external organisations and their officials. The giving of hospitality or gifts should always require prior approval at an appropriate level;
- (3) staff, board members and involved residents are only permitted to accept and keep token gifts of very low value such as pens, diaries and small promotional items. In the rare circumstances where a more substantial gift cannot be declined or returned – for example, where declining may cause significant offence – the gift may be accepted and donated to charity or displayed and retained as the association’s property;
- (4) staff, board members and involved residents should decline all corporate hospitality offered by third parties unless there are good business reasons to accept. A specific exemption is likely to be made in relation to refreshments and modest lunches taken during a business meeting. In all other circumstances, acceptance of hospitality should always require prior approval at an appropriate level;
- (5) permission to attend sporting events, shows, concerts or similar events paid for by third parties will not normally be granted. A specific exemption is likely to be made in relation to attendance at an award event that is relevant to the association’s business;
- (6) in the circumstances when permission to accept corporate hospitality is granted, the hospitality should be ethically, morally, socially and politically acceptable. Nothing should be accepted that would or could bring the association or the sector into disrepute;
- (7) staff, board members and involved residents are not permitted to receive from external third parties any paid travel, accommodation or general subsistence except for reasonably priced travel and accommodation arrangements in connection with activities such as speaking at a conference for a third party. In the rare circumstances where it may be impractical for board members, staff or involved residents independently to arrange travel or accommodation, prior approval at an appropriate level should always be sought;
- (8) staff, board members and involved residents must report to the appropriate person any attempt to undermine impartiality by the offer of substantial gifts or other inducements.

2. Associations should provide board members, staff and involved residents with sufficiently clear and detailed guidance and examples to enable them to interpret correctly concepts such as ‘a token gift of low value’ or ‘a modest working lunch’.

Hospitality and gifts register

3. A register of hospitality and gifts should be maintained, and made available for inspection by persons with a legitimate interest in the affairs of the association. An entry in the register should be required to record all gifts offered, whether accepted (and donated) or declined (or returned). All hospitality given or received should be recorded except in the case of modest working lunches provided by or to a third party. There would not normally be a requirement to record hospitality declined unless it was considered that the hospitality offered was inappropriate. Entries in the register should normally be required to be made within five working days of the offer of a gift or receipt/ provision of hospitality.

4. The register should record:

- (1) the date (that the hospitality was received/provided or the gift was offered);
- (2) name of the recipient;
- (3) name of the organisation or individual providing/receiving the hospitality or offering the gift;
- (4) description of the hospitality or gift and, known or estimated, monetary value;
- (5) whether the gift was declined/returned, accepted and donated or accepted and retained;
- (6) details of the charity to which an accepted gift was donated;
- (7) name of the authorising officer.

Sponsorship

5. Associations should establish policies and procedures in relation to endorsement and sponsorship that ensure compliance with the highest ethical standards and safeguard the reputation of the association and the sector.

Other measures

6. Associations should establish appropriate measures to eliminate or reduce the likelihood of bribery and should ensure effective internal and external auditing.

Compliance with s122

7. Section 122 of the Housing and Regeneration Act 2008 repeats what was paragraph 1 of Part 1 of Schedule 1 to the Housing Act 1996. It is reproduced in full at Appendix 4. Section 122 applies only to registered providers, and it restricts the making of gifts, and the payment of dividends and bonuses, to people who are members of registered providers or members of their families. It also applies to companies of which such people are directors (meaning company directors).

8. In this context, a 'member' of a registered provider is someone who is entitled to attend and vote at a general meeting of the association. For a co-operative & community benefit

society, this will be a shareholder – typically someone who has paid £1 to become a member.

9 Three classes of gift/dividend/bonus are permitted under s122. Where the legislation has been breached, any payment made may be recovered. If the payment is not recovered, the regulator (now the Homes and Communities Agency) may direct recovery. Note that s122 does not restrict payments made in accordance with a contractual entitlement (such as, for instance, when board members are remunerated for their services) but it generally prohibits gifts and other non-contractual payments. This would technically apply to a leaving present for a board member who is also a member of the association.

10 The application of s122 is not always straightforward, and if the association has any concerns that a contemplated action may bring it into breach, legal advice should be obtained in advance. However, for most associations, the possibility of being in breach will seldom or never occur.

11 Following lobbying by the Federation, the Localism Act 2011 has introduced a new power for ministers to introduce new exemptions from the restrictions imposed by s122. It is anticipated that this power will be used to allow some types of payment to tenant shareholders, and this will be important for associations with a large number of shareholders among their tenants.

F: RESPECT

Main principle

Housing associations must adopt and promote standards to ensure that the conduct of board members, staff and involved residents at meetings, events, and in the workplace, demonstrates respect for all, and promotes the values of the organisation.

Provisions

F1 Housing associations must have policies and procedures that enable them to address promptly and effectively any failure to adhere to required standards of conduct at meetings, events and in the workplace.

F2 The responsibilities of board members and involved residents with regard to meeting attendance, preparation and conduct must be clearly set out in their terms of appointment and form part of their induction training.

SECTION F – RESPECT: GOOD PRACTICE AND EXCELLENCE

Conduct at meetings

1 The standard of conduct required at board and other formal meetings simply reflects the importance of the role and responsibilities, the principles of good governance, and ordinary good manners. As such, to a great extent, it could ‘go without saying’.

2 It is useful, however, to define the standard for four main reasons:

- (1) board members, staff and involved residents come from all walks of life. Having an agreed way of behaving towards each other and working together can help the board, committee or panel to conduct its business efficiently and effectively, particularly when there are difficult issues to tackle;
- (2) a defined standard gives board members and involved residents practical guidance on what is expected of them, helping new members to become confident in their role;
- (3) it helps the board, committee or panel to deal impartially and effectively with any incident of inappropriate behaviour by one of its members;
- (4) it helps the board, committee or panel to fulfil its commitment to conducting its business in an open and accountable way, with clear policies and procedures.

3 The following sections set out the areas that associations may find useful to include in defining their standards of meeting conduct.

Attendance

4 With regard to meeting attendance, board, committee and panel members must:

- (1) make every effort to attend scheduled meetings and any extraordinary general meetings or ad hoc meetings that are called;
- (2) ensure that the company secretary, or other designated person, receives their apologies if they are unable to attend a meeting;
- (3) communicate to the chair of the board, committee or panel any significant objections to a report's recommendations if they are unable to attend a meeting;
- (4) discuss their continuing membership with the chair of the board, committee or panel if circumstances arise in which they will be unable to attend regularly;
- (5) arrive promptly for the start of the meeting;
- (6) dress appropriately for the meeting;
- (7) not attend a meeting under the influence of alcohol or drugs;
- (8) remain until the end of the meeting. Where, exceptionally, there is a need to leave before the end, seek the chair's permission to leave.

Preparation

5 Board, committee and panel members must:

- (1) read all papers in advance of the meeting, and be sure that they have understood their contents and any decisions they are being asked to take;
- (2) contact the chief executive, or other designated member of the senior staff team, in advance of the meeting if there is a need for clarification or if there are aspects of a report or issues on which the member has significant concern;
- (3) prepare any comments or questions;
- (4) come to the meeting with all relevant papers and any other necessary materials, for example, a diary if meeting dates are likely to be considered.

Conduct

6. Attendees must observe the rules of good meeting behaviour:

- (1) be courteous to other attendees, respect their views and allow them the opportunity to speak without interruption;
- (2) keep contributions brief and to the point;
- (3) avoid jargon or explain what it means;
- (4) indicate a wish to speak and wait until invited to speak by the chair;
- (5) refrain from talking when others are talking and not hold side conversations;
- (6) switch off mobile phones;
- (7) remain measured and controlled even in stressful situations;
- (8) not use offensive, provocative, abusive or racist language;
- (9) not use an aggressive or discourteous tone of voice or body language, or make personal remarks;
- (10) not use threatening behaviour or violence or otherwise disrupt the meeting.

7. Meeting attendees must also:

- (1) share responsibility for the meeting's decisions. Even if a member is unhappy with a decision, provided it has been properly considered by the meeting as a whole, members must support that decision;
- (2) not re-open old debates or decisions taken by other committees unless there has been a material change in the circumstances in which the decision was made;
- (3) when reaching decisions, take account of any relevant advice given by the association's senior staff, professional advisers and company secretary;
- (4) act in the best interests of the association, its residents and other service users. Board members and involved residents should not be lobbyists, campaigners or advocates for any particular 'constituency' on the board, committee or panel or for any individual or group;
- (5) always maintain independence, not forming part of any sub-group or clique within the board, committee or panel;
- (6) refrain from bringing up personal business and not raise issues concerning individual (or friends' or neighbours') tenancy matters (using instead, where relevant, the association's customer complaints or feedback procedures);
- (7) declare an interest if the board, committee or panel discusses an item which poses a conflict of interest to the individual member, or which others might perceive as a conflict of interest;
- (8) critically evaluate information and constructively challenge when necessary;
- (9) ask for help to understand issues whenever necessary;
- (10) seek clarification, and further clarification, as necessary – but not ask for more information or analysis than is needed to enable the board, committee or panel to make good decisions;
- (11) support other members in understanding issues that are complex or new to them;
- (12) express their own views – including expressing disagreement when necessary (whilst being mindful that the decision-making process is a collective one);

(13) not mislead other attendees. In contributing to discussion and decision-making, attendees must present facts and relevant matters truthfully, not ignoring inconvenient facts or relevant considerations.

8. More generally, meeting attendees should support and promote an organisational culture in which:

- (1) the interests of residents and other service users are put first;
- (2) attitudes which demean or denigrate other people (individuals or groups) are challenged;
- (3) there is a strong focus on performance and a real desire to improve;
- (4) poor performance is tackled and achievements and success are recognised;
- (5) assessments are made on fact and evidence, using good quality information, advice and support;
- (6) constructive challenge and open debate are the norm;
- (7) the emphasis is on finding solutions and getting things right in future not criticising past behaviour and apportioning blame;
- (8) external comparison and challenge is invited.

Dealing with disruption

9. The association should have, and comply with, policies and procedures for handling a situation in which a meeting attendee ignores the chair's rulings, behaves wrongly or offensively, or deliberately prevents the meeting from going ahead.

10. Although the chair has prime responsibility for the good conduct of the meeting, there may be occasions when another attendee can usefully propose action to deal with, for example, the misconduct of a member, a general disturbance or a particularly heated discussion. There is no reason why any attendee should not propose a brief adjournment where there is a general disturbance or where the meeting would benefit from a short break.

Carers and attendants

11. There may be circumstances in which a member of the board, committee or panel needs to be accompanied at a meeting by a carer or other person providing personal support. It is the responsibility of the member to ensure that the person accompanying them understands, and complies with, the standard of conduct expected at the meeting.

Feedback

12. Associations should have measures in place to collect, consider and respond to, feedback on the conduct of board, and other formal, meetings. Measures may include:

- (1) a regular 'review of the meeting' item at the end of the agenda;

- (2) regular or occasional use of a short feedback questionnaire completed by attendees at the end of each meeting; code of conduct 2012 with good practice for members
- (3) board member and senior staff assessment of meeting conduct as part of the annual board appraisal exercise;
- (4) occasional meeting observation by an experienced, external adviser.

13. If a board member or involved resident has concerns about the way in which meetings are conducted or chaired, he or she should raise their concerns with the chair of the board, committee or panel or with the chief executive. Staff members should raise any concerns about meeting conduct with their line manager or other appropriate manager.

Conduct at events

14. Board members, staff and involved residents are likely to be regarded as ambassadors for the association at any formal or informal event that involves the association's residents, its various partners or other outside bodies. Associations should ensure, therefore, that its board members, staff and involved residents understand what is required of them in these circumstances.

15. Many of the principles and provisions of this code and its good practice guidance – for example, in relation to giving and accepting hospitality, respect for others and general conduct – will of course apply to conduct at events. Associations should ensure, however, that they have policies to guide conduct in any situation that has the potential to bring the association into disrepute, for example, in relation to the use of a company credit card at a social event.

16. Board members, staff and involved residents who are required to represent the association at events should have ready access to advice and guidance on matters such as the correct form of dress for the occasion. Some associations have policies that enable them to meet the reasonable expenses of appropriate clothing and accessories being hired by board members, staff and involved residents required to represent the association at a formal event.

Conduct in the workplace

17. It is expected that the procedures that govern workplace behaviour will be defined in detail in the set of policies and procedures identified in Section 'A' above (paragraph 2). These include policies and procedures relating to:

- (1) equality and diversity;
- (2) bullying and harassment;
- (3) use of the association's funds and other resources (including IT);
- (4) health, safety and security;
- (5) alcohol, illegal drugs and substance abuse;
- (6) data protection.

18 Associations should provide staff with sufficiently clear and detailed guidance and examples to enable them correctly to interpret the association's policies with regard to acceptable and unacceptable workplace behaviour. For example, with regard to bullying and harassment, guidance should distinguish – using examples – between bullying behaviour and the legitimate raising of issues about poor performance in the correct way and proper forum.

19 In addition to these policies and procedures, the association's staff rules and/or its terms and conditions of employment are also likely to cover aspects of workplace behaviour such as working hours and attendance, personal appearance and personal relationships between staff. Some associations have also found it useful to define the standard of conduct required of managers in relation to the staff they manage, and the standard required of staff in relation to their manager.

CENTAUR HOUSING ASSOCIATION DECLARATION OF INTERESTS FORM

This form is for the purposes of declaring any actual or potential or perceived conflicts of interest which may arise. It is one of the means by which we demonstrate our commitment to uphold the requirements and spirit of the law (Housing and Regeneration Act 2008, Companies Act 2006 as it applies to the Association. This form is to be completed by all Board members and all employees on commencement, and by involved residents. It must be updated annually or at any time by Board members, staff and involved residents who need to make a declaration where a new conflict or potential conflict or perceived conflict of interest may arise.

Any fields that do not apply should be left blank

Completed forms should be given to the Associations Secretary, and will be recorded as appropriate in the Associations' register of interests

Your details

Your name

Your position(s) with the Association (Please note all that apply)

Board member (please state all Boards)

Staff member (please state your job title)

Involved tenant, resident or service user (please state which)

Declaration of compliance

I declare that I have read and understood the Group's Code of Conduct and the Code of Conduct for individual Board members, staff and involved residents, and I agree to comply with the Codes in full. In accordance with the Codes, I make below a full declaration of any and all interests which may, or may be perceived to, conflict with my position with the Association.

Details of the declaration

Question Y/N If yes, please provide details

1. Are you or any of your close relatives or close connections a tenant of any of the members of Centaur Housing Association? If there is a relationship, please state the nature of the relationship

2. Are you or any of your close relatives or close connections directly involved with any company or organisation which could result in potential conflicts of interest?

3. To your knowledge, does CHA or any subsidiary do business with any company or organisation in which any of your close relatives or close connections are a partner, director or person directly concerned in the organisation's management?

5. Are you a member of another housing provider or voluntary agency as a Board or Committee member or an elected member of a local authority?

5. Have you any business relationship with any company or organisation with which CHA and its subsidiaries do business?

6. Are you aware of any conflict or potential conflicts of interest arising from your connection with CHA and your personal/business interests?

7. CHA is compiling a list of companies which Board members, staff and involved residents or their close relatives or close connections are either a partner, director or person directly connected with that organisation's management. Please provide details of these companies and your relationship in order that CHA may avoid placing contracts with these companies, and therefore avoid any breach of our Codes of Governance and Conduct

8. In the interest of openness, are you a member of any organisation which is not open to members of the public that has secrecy about its rules or membership or conduct that may impact on any decision that you may make in undertaking CHA related activities?

9. In the interests of openness, are you a member of any political or campaigning group?

10. You may be required to resign your position if you have any business interest relating to the work of CHA which directly or indirectly gives continuing personal advantage. If you consider that another Board member, employee or involved resident has such an interest, you have a duty to raise it with the Chairperson.

11. Internal Auditor

NB Subject to the consideration of individual privacy, the interests of Board members, staff and involved residents will be made available on request for inspection by Companies House, the FCA, the HCA and HMRC

Conduct in meetings

Where an interest is declared in accordance with the above at any CHA meeting, the declaration and action taken must be recorded in the minutes of that meeting. A copy of the minutes or separate record must be forwarded to the Associations Secretary for recording in a register held specifically for this purpose.

If you are present at a meeting that is discussing an item that poses a conflict of interest for you, you should declare an interest. If the interest is clear and substantial, you should

withdraw from the meeting and take no part in the discussion. You should leave the room if necessary. Please refer to the Association's Code of Governance and Code of Conduct for further clarification

Signed

Print Name

Date

Received for and on behalf of Centaur Housing Association

Print Name

Position

Date

This form and the accompanying guidance were approved by the CHA's Board
22 August 2016

**CENTAUR HOUSING ASSOCIATION
DECLARATION OF INTERESTS FORM
ACCOMPANYING GUIDANCE**

1. TERMINOLOGY

1.1 In the Association's Code of Conduct and the associated guidance and model documents:

- (i) The terms '**housing association**' and '**association**' refer to all organisations that are members of the National Housing Federation. This includes other types of housing organisation – such as charities, co-operatives and companies – that are members of the Federation, and that are members of Group's which are led by a Federation member.
- (ii) '**Board**' includes any board of management, management committee, board of trustees, and all similar governing bodies under whatever designation. It includes Committees of the Board.
- (iii) '**Board member**' includes all members of governing bodies whether they are formally known as directors, trustees, board members, management committee members etc. It includes co-optees and any other nominee. This applies whether or not the co-optees or nominees enjoy voting rights. 'Board member' in this context also includes all members of all subsidiary Boards and Committees who are not also members of the Group Board.
- (iv) '**Staff member**' and '**staff**' includes the organisation's paid employees and any other persons fulfilling the role of a paid employee, such those employed by an agency or on secondment from another organisation. It includes staff employed by Connect Property Services Limited.
- (v) '**Residents**' and '**other service users**' includes residents, tenants, leaseholders and users of other services provided by the Group.
- (vi) '**Involved resident**' includes residents and other service users (as defined above) who are involved in delivering, or scrutinising, the organisation's business activities. This includes members of standing committees – such as scrutiny panels and other residents' boards and committees – and members of ad hoc panels convened to assist in selecting contractors or staff, determining the allocation of resources or resolving complaints or appeals from other residents. It does not include – as they are covered elsewhere – residents and other service users who are also members of the organisation's governing body or its committees or who are members of staff.
Group's Service Delivery Committee. This may change over time.

(vii) 'Contractors' includes those other than board members, staff and involved residents who are directly involved in delivering the organisation's business activities. This includes contractors, sub-contractors, consultants and agents.

2. FAMILY MEMBERS AND CLOSE CONNECTIONS

2.1 The code refers to persons with whom board and committee members, staff or involved residents are 'closely connected'. A 'closely connected' person includes family members and persons with whom the individual has a close association. The guidance on good practice and excellence accompanying the code suggests that 'family member' be given a very wide meaning and include persons who might reasonably be regarded as similar to family members even where there is no relationship by birth or in law. It would include:

- (i) a partner (someone to whom the individual is married, a civil partner or someone with whom they live in a similar capacity);
- (ii) parent, parent-in-law;
- (iii) son or daughter, stepson or stepdaughter, the child of a partner;
- (iv) brother or sister, brother or sister of a partner;
- (v) grandparent, grandchild;
- (vi) uncle or aunt, nephew or niece;
- (vii) the partners of any of these people;
- (viii) any dependents; and
- (ix) any person on whom the individual depends.

It would include estranged, separated and divorced family members (and estranged, separated and divorced persons who might reasonably be regarded as similar to family members).

2.2 A person with whom the individual has a 'close association' would be someone with whom they were in regular or irregular contact over a period of time who was more than an acquaintance. It would be someone a member of the public might reasonably think the individual would be prepared to favour or disadvantage when discussing a matter that affects them. It may be a friend, colleague, neighbour, business associate or someone known through general social contacts.

3. CONNECTION WITH AN ORGANISATION

3.1 Someone is connected with a company, partnership or other organisation if he or she, or a family member, or close connection:

- is employed by the organisation, either directly or as a sub-contractor or agent;
- is a director, owner, board member, trustee, or has some other controlling or financial interest in the organisation;
- holds shares in the organisation, or has some other financial stake or interest in its success; or
- if there is some other connection or link that a reasonable person could take to create a conflict of interest.

**CENTAUR HOUSING ASSOCIATION
A CODE OF CONDUCT
SECTION 122 OF THE HOUSING AND REGENERATION ACT 2008
(122 PAYMENTS TO MEMBERS ETC.)**

(1) This section restricts the making of gifts, and the payment of dividends and bonuses, by a non-profit registered provider to:

- (a) a member or former member of the registered provider,
- (b) a member of the family of a member or former member,
- (c) a company which has as a director a person within paragraph (a) or (b).

(2) A gift may be made, and a dividend or bonus may be paid, only if it falls within one of the following permitted classes.

(3) Class 1 is payments which:

- (a) are in accordance with the constitution of the registered provider, and
- (b) are due as interest on capital lent to the provider or subscribed in its shares.

(4) Class 2 is payments which:

- (a) are paid by a fully mutual housing association (within the meaning of section 1(2) of the Housing Associations Act 1985 (c. 69)),
- (b) are paid to former members of the association, and
- (c) are due under
 - (i) tenancy agreements with the association, or
 - (ii) agreements under which the former members became members of the association.

(5) Class 3 is payments which:

- (a) are in accordance with the constitution of the registered provider making the payment ('the payer'), and
 - (b) are made to a registered provider which is a subsidiary or associate of the payer.
- (6) If a registered company or co-operative and community benefit society contravenes this section:
- (a) it may recover the wrongful gift or payment as a debt from the recipient, and
 - (b) the regulator may require it to take action to recover the gift or payment.

CENTAUR HOUSING ASSOCIATION

A CODE OF CONDUCT

PRINCIPLES OF PUBLIC LIFE

Housing associations will inevitably face situations not directly addressed by the code. In such situations they should be guided by the seven principles of public life established by the **Committee on Standards in Public Life**.

Housing associations should hold up the values of **selflessness, integrity, objectivity, accountability, openness, honesty and leadership**.

These are defined below.

Selflessness: Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or friends.

Integrity: Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

Objectivity: In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability: Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness: Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty: Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership: Holders of public office should support and promote these principles by leadership and example.