



ENTITLEMENTS, PAYMENTS and BENEFITS MANAGEMENT POLICY

Draft for Board consideration/approval – 31 March 2016

FULL REVIEW TRACKING

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Policy Owner	Keith Anderson, Chief Executive
Document Author(s)	Mike Beniston, Head Of Corporate Services
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The Policy has a direct link to the following PoLHA documents, policies and procedures	<ul style="list-style-type: none"> • Staff Handbook • Code of Conduct for Governing Board Members and Involved Customers • Whistleblowing Policy • Procurement Policy
This policy complies with the requirements of these legal and/or regulatory documents	<ul style="list-style-type: none"> • Scottish Housing Regulator (April 2012) Regulatory Framework p28 section 5.13 available here • ¹Office of the Scottish Charity Regulator (Aug 2013) Guidance For Charity Trustees section 3 available here
Equality & Diversity Impact (EI) Assessment Status	<p><i>This document was EDI Assessed by Mike Beniston using the organisation's set procedure in April 2016 and is considered to be free of anything which may lead to any unfair discrimination in its application.</i></p> <p><i>EI Assessment records are held by the Chief Executive's Office and can be accessed on request to the Head of Corporate Services.</i></p>

REVISION TRACKING

Revision Date	Part of doc revised	Reason for revision	Approved by

1. BACKGROUND

1.1 The Scottish Housing Regulator's Regulation of Social Housing in Scotland Framework includes as part of Standard 5 that "The RSL conducts its affairs with honesty and integrity" and specifically in Standard 5.4 states:

"Governing Body Members and staff declare and manage openly any conflicts of interest and ensure they do not benefit improperly from their position"

1.2 This Policy is intended to be a practical document that supports us in meeting the above requirement, ensuring that none of our people benefits improperly or inappropriately from their involvement with us, but also that they are not unfairly disadvantaged.

2. POLICY STATEMENT

2.1 Port of Leith Housing Association requires all Governing Body Members and Staff to act ethically at all times. This includes taking personal responsibility for not using their position in the organisation for their own personal gain or for the gain of any person closely connected to them. (Details of who is considered a "connected person" are laid out in **Appendix 1**).

2.2 The Association will allow Governing Body Members and Staff to receive the payments and benefits set out in this policy document.

2.3 The Association is committed to transparency, honesty and propriety and has set out in this document procedures that Governing Body Members and Staff are expected to follow to ensure the affairs of the Association are conducted in a way that is concurrent with these values.

2.4 The Association holds a Register of Interests and requires all Governing Body Members and Staff to enter into this document any involvements they have with organisations outside the Association.

2.5 Where anyone is in any doubt about the interpretation or application of any parts of this document it is expected they will consult with the Chair of the Board of Management or the Chief Executive prior to making any commitments or actions that may come under the policy framework.

3. WHO IS REQUIRED TO COMPLY WITH THIS POLICY

3.1 This policy is aimed at people who are:

- Board Members of our governing body and of the governing body of any of our subsidiaries
- Everyone who works for us or any of our subsidiaries, whether employed directly or otherwise

4. RESPONSIBILITIES UNDER THE POLICY

4.1 ***Board of Management Members***

4.1.1 All members of the Boards of Management of Port of Leith Housing Association and its subsidiary companies are required to comply with the content of this policy

at all times.

4.1.2 The Port of Leith Housing Association Board of Management is responsible for ensuring this policy is kept up to date in line with legislative and regulatory requirements and for ensuring it is implemented by the Boards of subsidiary companies as well as by the Senior Management Team of the Association.

4.1.3 The Boards of Management of all subsidiary companies are responsible for ensuring the implementation of this policy in that company.

4.1.4 All Governing Body Members are expected to report any suspected breach of this policy to the appropriate Chair and the Chief Executive.

4.2 Senior Managers

4.2.1 All Senior Managers are required to comply with the content of this policy at all times.

4.2.2 Senior Managers are responsible for ensuring the effective communication of this policy to all employees.

4.2.3 Senior Managers are responsible for ensuring any breaches of this policy are effectively dealt with.

4.3 Operational/Line Managers

4.3.1 Operational/Line Managers are required to comply with the content of this policy at all times.

4.3.2 Operational/Line Managers will be required to ensure all Staff they manage are aware of and understand the content of this policy.

4.3.3 They will be required to monitor the activities of Staff, where it is practical to do so, and make appropriate interventions to prevent breaches of this policy

4.3.4 Operational/Line Managers are to report any suspected breaches of this policy to an appropriate Senior Manager and take part in managing any breaches of the policy.

4.4 Other Staff

4.4.1 All other Staff are required to comply with the content of this policy at all times.

4.4.2 They will be expected to report any suspected breaches of this policy to their line manager immediately.

5. POLICY FRAMEWORK

5.1 Declaring, Registering and Managing Interests

5.1.1 You must record in the Association's **Register of Interests** links that you, or any connected person, have which are relevant to our business. You are required to confirm annually that your entry is accurate and up to date.

5.1.2 The **Register of Interests** will be managed by an appropriate member of the Corporate Administration Support Team and can be accessed through the Head

of Corporate Services, the Corporate Services Team Leader or the Chief Executive's Personal Assistant.

- 5.1.3 It is each individual's responsibility to keep their entry in the **Register of Interests** up to date by accessing the Register through the staff listed above and amending entries whenever this is required.
- 5.1.4 An Annual Survey of Interests will be carried out each year by the Corporate Administration Support Team and everyone is required to submit a return. Failure to do so will be treated as misconduct unless authorisation is given to not file a return by an appropriate senior role holder who must inform the Corporate Administration Support Team of their decision and reason for it in writing.
- 5.1.5 Where you have an interest that may impact on a matter that is going to be discussed or considered at a meeting, you must declare your interest at the start of the meeting and play no part in the discussion of that item. You must withdraw from any part of a meeting where the interest arises.
- 5.1.6 For Board Members, the **Code of Conduct for Governing Board Members and Involved Customers** contains a section on Declaring Interests that you should comply with at all times.
- 5.1.7 A report will be made annually to the appropriate Governing Body on the Register Of Interests.

5.2 Handling Offers of Gifts

- 5.2.1 No Board Member or member of Staff should ever accept an offer of cash as a gift for any reason under any circumstances.
- 5.2.2 Offers of small gifts of a value less than £40 may be accepted where it is appropriate to do so. Any acceptance of such gifts must be recorded in a **Register of Gifts and Hospitality Offered and Received**.
- 5.2.3 Vouchers with a cash value should be treated as "small gifts" and not cash and may be accepted and dealt with in the same way as items covered at para 5.5.2 above.
- 5.2.4 Promotional items with a value less than £10 offered at events, for example conferences, training events, seminars, etc may be accepted with no requirement to log in the **Register of Gifts and Hospitality Offered and Received**.
- 5.2.5 Where it is adjudged that to refuse a gift of a higher value than £40 would cause offence or otherwise damage the Association reputation then these gifts may be accepted under the following criteria:
- the donor is informed that the gift will be donated to charity or be used in the organisation's charity fund raising activities; and
 - the recipient must record the acceptance of this gift and the decision/action taken to manage the use of the gift within five days of receipt.
- 5.2.6 Gifts should not be regularly accepted for three or more years from external contractors, suppliers or other commercially oriented sources and not more than once every 12 months unless there is a very good reason to do so. Where more than one gift is offered in a 12 month period and there is any thought of accepting it, this should be authorised by a member of the Senior Management Team or

above and authorisation must be in writing. Where gifts are accepted for three consecutive years from the same source, senior management must review any further gift offers and agree if further gifts should be accepted and for what period of time. These decisions should be recorded in the **Register of Gifts and Hospitality Offered and Received**.

- 5.2.7 Gifts from tenants may be accepted on a recurring basis provided this is not excessive and these are recorded in the **Register of Gifts and Hospitality Offered and Received**. It is expected staff will use appropriate professional judgement to ensure that the number and type of gifts accepted from customers are reasonable and any concerns are discussed with an appropriate senior manager.

5.3 Handling Offers of Hospitality

- 5.3.1 Routine hospitality provided as part of an organised meeting, conference or other such event a Board or Staff member is attending in the course of carrying out their role is not required to be recorded in any way.

- 5.3.2 Offers from external bodies of any kind of free hospitality which could be construed as an inducement to gain favour or reward for something done must be refused.

- 5.3.3 Offers from external bodies of any kind of free hospitality which can be evidenced as not providing the risk of being construed as an inducement to gain favour or reward for something done, must be considered very carefully and only be accepted with the authority of a member of the Senior Management Team.

- 5.3.4 For Staff, in the circumstances of para 5.3.4 above, any attendance at an event or activity offered by an external body with a value of up to £50 can be accepted with the authority of an appropriate member of the Senior Management Team.

- 5.3.5 For the Chief Executive, in the circumstances of para 5.3.4 above, this must be agreed with the Chair.

- 5.3.6 For Governing Body Members, in the circumstances of para 5.3.4 above, this should be agreed by the Chair and Chief Executive or the Full Board.

- 5.3.7 Any attendance at an event or activity with a value above £50 will have to be authorised at Board level either by the Chair, Vice Chair or Full Board depending on circumstances of timing and appropriateness.

- 5.3.8 Authority must be given in writing and the event recorded in all cases in the **Register of Gifts and Hospitality Offered and Received**.

5.4 Attendance at Award Events

- 5.4.1 Governing Body Members and Staff may attend award events when it is deemed appropriate to do so and where cost of attendance is adjudged to be reasonable against the value of attendance.

- 5.4.2 Staff are required to obtain permission in writing to attend any such events from an appropriate member of the Senior Management Team for events with a cost or value up to £500. Any events where the cost or value is adjudged to be in excess of £500 will require approval from the appropriate Chair or Full Board.

- 5.4.3 The Chief Executive will be expected to obtain permission from the Chair of the Association to attend relevant events and where appropriate the Full Board. The Chair will have the discretion to decide on any circumstance where Full Board Approval is needed.
- 5.4.4 Board Members will need the authority of the Chair or Full Board to attend any events where the cost or adjudged value is over £500.
- 5.4.5 All attendances at award events must be recorded in the **Register Of Gifts and Hospitality**.

6. Use of Contractors and Suppliers with Contracts with the Association or its Subsidiaries

- 6.1 Board Members and Staff should avoid using any businesses who have contractual arrangements with the Association and its subsidiaries to provide them with goods or services where it is practical to do so. A **Key Contractors List** will be available at all times and can be accessed through the Association's Corporate Administration Support Team.
- 6.2 In the event you have a need to use a Contractor on the Association's **Key Contractor List** then you will need to register your use of that Company in the Association's **Contractor Use Register** detailing what work you had done, why you chose to use the same supplier as the Association and the payment terms that were applied.
- 6.3 Failure to log work you commission with any supplier on the Association's Key Contractor List will be considered misconduct. Any indication that your role with the Association has influenced the application of preferential payment terms will be viewed as gross misconduct and dealt with accordingly.

7. Entitlements and Payments to Governing Body Members

7.1 Emoluments For Governing Body Members

- 7.1.1 The Association does not engage in the practice of providing emoluments to Governing Body Members who all act in their roles in a voluntary capacity.
- 7.1.2 Should the Governing Body chose to change this practice any emoluments paid must comply with the conditions set out in Section 67(3) of the Charities and Trustees Investment (Scotland) Act 2005.

7.2 Sundry Expense Payment for Governing Body Members

- 7.2.1 Governing Body Members will be entitled to payment for expenses incurred in carrying out their role. The full details of what can be claimed are set out in the Association's **Board Member Guidance to Claiming Expenses** which is available through the Association's Corporate Administration Support Team.

8. Entitlements and Payments to Employees

8.1 Entitlements and Payments Related to Terms and Conditions of Employment

8.1.1 All entitlements arising from terms and conditions of employment set out in the Association's **Staff Handbook** or that of one of our subsidiaries is always permitted without the need to record or register them in any way. These include (but are not restricted to):

- Payment of salary to staff;
- Access to car or travel loans, salary advances or car allowances;
- Pension and/or private health care provided as part of the remuneration package;
- Performance related pay or bonus awarded in accordance with contractual terms;
- Books and equipment in connection with employment or training in accordance with agreed policies and/or contractual terms;
- Reimbursement of professional fees;
- Cycle to work scheme or other such salary sacrifice arrangements.

8.2 Redundancy Payments

8.2.1 Redundancy payments will be made where this is required in line with the Association's **Redundancy Management Policy** and legislative requirements.

8.3 Voluntary Settlement Payments

8.3.1 Voluntary Settlement Payments can be made providing:

- It arises directly from a decision to terminate the employee's contract of employment;
- Payment is approved by the Governing Body;
- That the total sum of the non-contractual payment and benefit does not exceed, in the opinion of our employment adviser, the total cost of a successful application by the employee to a Court or Tribunal (including the likely level of compensation that might be awarded by a court or tribunal and associated costs to the organisation to participate in the tribunal); and
- That this payment is instead of (rather than additional to) any redundancy entitlement.

8.4 Provision of Loans

8.4.1 This is not permitted unless in connection with the contractual terms of employment. We cannot make any other loans to individuals.

9. DEALING WITH PROCUREMENT RELATED ISSUES

9.1 The Association will not enter into contractual relationships with any business where a Governing Body Member, employee or known connected person has significant control except in exceptional circumstances. This will only be considered where:

- The person affected by this policy is not involved in any part of the procurement process or decision;

- The appointment is approved by the Governing Body which is satisfied that the appointment is reasonable in the circumstances; and
- There is no reasonable alternative (eg because of geography or the specialist nature of the goods/services).

10. HANDLING OTHER AREAS WHICH COULD BE PERCEIVED AS BENEFITS

10.1 A list of main areas where issues of probity might be challenged are listed in **Appendix 2** of this document. This is unlikely to be exhaustive and Governing Body Members and staff are expected to use good professional judgement and raise any areas of concern they identify with an appropriate Senior Manager.

11. DEALING WITH POLICY BREACHES OR FAILURES TO CARRY OUT RESPONSIBILITIES

11.1 In a situation where there is a suspected breach of the policy or failure to carry out the responsibilities detailed by a Board Member, this will be dealt with under the Code Of Conduct for Governing Board Members and Involved Customers and the procedures it contains.

11.2 In a situation where there is a suspected breach of the policy or failure to carry out the responsibilities detailed by a Staff member this will be considered misconduct and be dealt with using the appropriate Disciplinary Management Policy & Procedures.

12. POLICY & PROCEDURE EFFECTIVENESS ASSESSMENT CRITERIA

12.1 A Register of Interests will be completed and reported to the Board on an annual basis and a Register of Gifts and Hospitality Offered and Received will be maintained and continuously updated and available for inspection at each Board meeting. The Senior Management Team will review and update the policy in the light of practice and any changing regulatory requirements.

13. REFERENCES

- 13.1
- Staff Register of Interests
 - Boards Register of Interests
 - Code of Conduct for Governing Board Members and Involved Customers
http://intranet.polha.co.uk/wp-content/uploads/2016/05/Code-of-Conduct_POLHA-PDL-November-2013.pdf
 - Register of Gifts and Hospitality Offered and Received
<http://glenfiddich/nexus/Lists/Register%20of%20Gifts%20and%20Hospitality/AllItems.aspx>
 - Key Contractor List
http://intranet.polha.co.uk/wp-content/uploads/2016/05/KEY-CONTRACTORS-LIST_3.10.16.pdf
 - Contractor Use Register
 - Board Member Guidance to Claiming Expenses

[..\Documents Under Review or Development\Payment Of Expenses To Board Members\Board Member Expenses Guidance - Jan 2016.doc](#)

- Staff Handbook, including Disciplinary Policy and Redundancy Policy
<http://intranet.polha.co.uk/documents/staff-handbook/>
- Procurement
<http://intranet.polha.co.uk/wp-content/uploads/2016/05/Procurement-Policy-Statement-June-2012.pdf>
- Scottish Housing Regulator (April 2012) Regulatory Framework
<https://www.scottishhousingregulator.gov.uk/publications/how-we-regulate-guide-tenants-and-service-users>
- Whistleblowing Policy
<http://intranet.polha.co.uk/wp-content/uploads/2016/05/Whistleblowing-Policy-2013.pdf>

PEOPLE CONNECTED TO YOU

As well as considering their own actions, Governing Body Members and staff must be aware of the potential risk created by the actions of people with whom they are closely associated.

For example, where someone close to them is entering into an agreement with the Association, or they have significant involvement with one of our suppliers, they must follow the terms of this policy.

Governing Body Members and staff are expected to make reasonable efforts to ensure they are aware of actions or involvement by anyone with whom they are closely associated that comes under the terms of this policy, while applying logic and sound professional judgement to assess situations within which these are happening.

There are three groups of people that need to be considered in respect of the application of this policy as identified in the table below.

Group 1 Members of your household	Group 2 People closely associated with you	Group 3 Others you need to consider
<p>This is defined as; Anyone who normally lives as part of your household, whether they are related to you or not, including: spouses/partners who work away from home and sons and daughters who are studying away from home.</p>	<p>These are defined as; Parents, parents-in-law and their partners. Sons and daughters; stepsons and step-daughters and their partners. Brothers and sisters and their partners. A partner's parent, child, brother or sister. Grandparents, grandchildren and their partners. Someone who is dependent on you or on whom you are dependent. Close friends.</p>	<p>These are defined as: Other relatives; uncles, aunts, nieces, nephews and their partners. Other friends: someone you are acquainted with socially; neighbours; business contacts/associates.</p>
<p>You must always declare any issues, covered in this policy, which are affected by people in the above group.</p>	<p>If you are in regular contact with people listed in the above group, you should declare any issues, covered in this policy, involving them.</p>	<p>We expect you to exercise sound judgement and a logical approach when deciding if there is a need to declare any issues relating to people covered by the list above.</p>

We recognise that Governing Board Members and Staff will not always be closely acquainted with or in regular contact with all of the people listed in the table above and we do not expect them to go to unreasonable lengths to identify areas they are involved with that are covered by this policy. However we do expect our people to be familiar with the actions of members of their household (Group 1) and of any other people listed in the table above with whom they are in regular contact.

OTHER SITUATIONS WHERE BENEFITS MAY BE PERCEIVED

SITUATION OR ISSUE	CAN THIS BE PERMITTED?	FURTHER ACTION NECESSARY BEFORE THIS WILL BE PERMITTED?
Making an offer of employment (temporary or permanent) to someone who is closely connected to a member of staff	Yes	This is permitted as long as: <ul style="list-style-type: none"> • There has been an open recruitment exercise in accordance with our policy that you have not played any part in and • You have no direct or indirect line management or supervision responsibility for the post and • The offer of employment complies with our policy and is approved by the Chief Executive • You record your connection to the successful applicant in the register within five days of their acceptance of the offer.
Making an offer of employment to someone who is, or has been in the last twelve months, a member of our Governing Body or to anyone who is related to a member of the Governing Body	No	This cannot be permitted
Appointing one of our ex-staff members to the Governing Body	[No]	This cannot be permitted in accordance with the Rules of the Association .
Accepting nominations to join the Governing Body from people who are connected to a serving member.	No	This cannot be permitted in accordance with the Rules of the organisation.
Offering a tenancy or lease in one of our or any of our subsidiaries' properties to a Governing Body member, employee or connected person.	Yes	This is permitted as long as <ul style="list-style-type: none"> • It is in accordance with our published allocations policy and • Neither the applicant or anyone connected to the applicant is involved in any way or in any part of the allocation process and • The offer is approved by the Governing Body in advance and • The tenancy is recorded as an interest in the appropriate register within five days of the tenancy commencing

SITUATION OR ISSUE	CAN THIS BE PERMITTED?	FURTHER ACTION NECESSARY BEFORE THIS WILL BE PERMITTED?
Carrying out repairs, improvements or adaptations to the home of a tenant who is a Governing Body member, employee or connected person.	Yes	<p>Repairs carried out in accordance with the Association's policy do not need to be recorded.</p> <p>Adaptations must comply with the Association's policy. The adaptation should be recorded in the register of interests within five days of completion.</p> <p>Major Repairs carried out in accordance with the Association's policy, Major Repairs and Planned Works Programmes do not need to be recorded. A person affected should declare their interest if/when the programme is being approved by the Governing Body. Out of sequence replacement of any major component (eg kitchens, heating systems) should be recorded in the register of interests within five days of completion.</p>
Payment of a decoration allowance, tenant reward/incentive as part of an agreed scheme or prize to a Governing Body member, employee or connected person.	Yes	<p>Payment of decoration allowances or incentive/reward payments must be made in accordance with the Association's policies and procedures and recorded in the register within five days of receipt.</p> <p>Prizes or awards in competitions open to all tenants in the same community (eg garden competitions) can only be given if the selection process for giving the award/prize has been carried out by someone who is independent. Receipt of the award and the circumstances surrounding it must be recorded in the register within five days of receipt.</p>
Attendance by a Governing Body member, employee at training events or seminars (eg SFHA Conferences) or openings/similar events hosted by other RSLs	Yes	There is no requirement to declare and record in the register of interests.
Paying for accommodation in connection with attendance at relevant conferences or events that you are attending on behalf of or in connection with your role with us or our subsidiaries	Yes	Accommodation that is part of a conference or training package does not need to be recorded in the register, but attendance will be recorded on the relevant individual training plan.

SITUATION OR ISSUE	CAN THIS BE PERMITTED?	FURTHER ACTION NECESSARY BEFORE THIS WILL BE PERMITTED?
Governing Body Members or staff seeking donations from our contractors/suppliers when fundraising for charity is for the Association.	Yes	<p>This is permitted provided:</p> <ul style="list-style-type: none"> • Approval is gained from the Chief Executive prior to making any approach; and • Any donations received are recorded in the Register. <p>We recognise our social responsibility and promote charity fundraising by the organisation and our people. We have a separate policy that sets out our approach to supporting other charities.</p>
Sale of a property under Right To Buy to someone affected by this policy.	Yes	This is permitted with no requirement to declare in the register. The normal process for valuation and sale should be followed and our normal policy would be applied.
Sale of our interest (whole or part) in a property to someone affected by this policy via LIFT, HomeBuy; Help to Buy or other LCHO scheme	Yes	<p>This is permitted, provided:</p> <ul style="list-style-type: none"> • Our policy and procedures are followed; • The prospective purchaser should play no part in the processing of the transaction by the Association; and • It is declared and recorded in the Register within five days of the missives being concluded confirming the process followed.
The purchase of land or other assets from anyone who is, or has been in the last twelve months, one of our people or who is connected to one of our people	No (in almost all cases)	<p>This cannot be permitted in almost all cases. The only exception would be if you were referred to us under the Scottish Government's Mortgage to Rent scheme, where this would be permitted provided:</p> <ul style="list-style-type: none"> • Our policy and procedures are followed; • The prospective seller plays no part in the decision to purchase the property or the processing of the transaction by the organisation; and • It is declared and recorded in the Register within five days upon conclusion.
Sending gifts to Governing Body or staff members as thank yous or acknowledgements of personal events.	Yes	This is permitted providing the gift value does not exceed £40 and is authorised by an appropriate member of the Senior Management Team.
Sale or purchase of a property under Association's Stock Rationalisation Policy to someone affected by this policy.	Yes	<p>This is permitted, provided:</p> <ul style="list-style-type: none"> • The property is advertised on the open market and this highest offer received is accepted at the closing date;

SITUATION OR ISSUE	CAN THIS BE PERMITTED?	FURTHER ACTION NECESSARY BEFORE THIS WILL BE PERMITTED?
		<ul style="list-style-type: none"> • The prospective purchaser should play no part in the processing of the transaction by the Association; and • It is declared and recorded in the Register within five days of the missives being concluded confirming the process followed.