



## **CODE OF CONDUCT FOR BOARD AND COMMITTEE MEMBERS**

Date Effective: 19 September 2017  
Policy Due For Review By: September 2020



<b>Policy:</b>	<b>Code of Conduct for Board and Committee Members</b>
<b>Date Approved:</b>	19 September 2017
<b>Approved By:</b>	Board
<b>Applicable to:</b>	Board and Committee Members of the Association
<b>Lead Director:</b>	Managing Director
<b>In consultation with:</b>	Irvine Housing Association Board Members
<b>Review Date:</b>	September 2020

## **1 GENERAL OBLIGATIONS**

1.1 The Association complies with the provisions of the Scottish Federation of Housing Association's "Model Code of Conduct, which requires the Association to have guidance and procedures in relation to conduct and probity matters to achieve the highest standards of business conduct.

1.2 This Code of Conduct applies to all Board and Committee Members of the Association, and any references in this Code of Conduct to 'Board Members' include the Association, Subsidiary Board Members, and Co-optees.

1.3 The phrase 'close connection' where used in this Code includes husband, wife, civil partner, partner, fiancé, parent, grandparent, child, grandchild, brother, sister, and their partners, close friend and could include other relationships, such as an aunt or uncle, nieces and nephews and their partners, other friends (e.g. someone acquainted with socially, neighbours, business contacts/associates) if there is a sufficient degree of closeness. The onus is on the individual to disclose the relationship where there is any doubt.

1.4 Board and Committee Members should observe the following seven principles which are recognised as providing a framework for good governance:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

1.5 Board and Committee Members should:

1.5.1 Support the Vision and Values of the Association and promote the interests of the Association and its tenants, residents and service users in the wider community;

1.5.2 Comply with relevant legal and regulatory requirements (including those of the Scottish Housing Regulator, the Office of the Scottish Charity Regulator, the Financial Conduct Authority and the Care Inspectorate, the Association's Rules, the Association's Governance Framework Document, and relevant policies and procedures;

1.5.3 Behave with the highest standards of conduct, integrity and probity as befitting a Board Member at all times;

1.5.4 Work co-operatively in the best interests of the Association;

1.5.5 Promote equality and diversity;

1.5.6 Attend all meetings of the Board and/or its Committees, arriving on time and leaving at the end wherever possible; and

1.5.7 Take or seek opportunities to enhance their effectiveness through participation in induction courses, training and development programmes and by increasing their knowledge of the Association, Riverside and issues affecting the sector.

## **2 COMMUNICATIONS WITHIN THE BOARD**

2.1 Board and Committee Members will at all times:

2.1.1 Ensure that all Members have the opportunity to make a contribution and have their opinions treated with respect;

2.1.2 Be polite and courteous to each other and conduct business in a controlled manner. However difficult or heartfelt the context, aggressive or inappropriate language or behaviour, whether at Board Meetings or in any other circumstance connected with the Association is not acceptable;

2.1.3 Focus on the issues of running the Association in a conscientious and positive manner;

2.1.4 Make decisions for the benefit of the Association as a “team”, supporting each other and accepting shared responsibility;

2.1.5 Understand that there will be times when not everyone agrees with the decisions made and therefore should not take things personally;

2.1.6 Respect the role of the Chair and the usual protocol of directing comments through him/her; and

2.1.7 Encourage each other to enjoy participation without the fear of making a mistake.

## **3 COMMUNICATION WITH EXECUTIVE STAFF**

3.1 Working relationships should be constructive and effective.

3.2 Neither Board nor Committee Members, nor employees should use informal channels to exert improper influence on matters of Board business.

## **4 CONFIDENTIALITY**

4.1 Board and Committee Members must respect the confidentiality of those items of business which the Board decides from time to time should remain confidential, and the contents of reports and documents specifically marked “confidential”.

4.2 It may be necessary to communicate with other Board or Committee Members and/or employees about members of staff, tenants or service users. Any communication, whether oral or in writing, must be treated in strict confidence and not discussed with any third party, including Board/Committee Members or members of staff, who do not need to know the material facts in order to assist them with their work or duties.

4.3 A Board or Committee Member must not disclose information given to him or her in confidence, or information acquired which he/she (acting reasonably) believes is of a confidential nature, without the consent of a person authorised to give it, or unless he or she is required by law to do so; nor prevent another person from gaining access to information to which that person is entitled by law.

4.4 If a Board or Committee Member wishes to disclose information to any party, and has any doubts as to whether the information concerned is confidential, then advice must be sought from the Chair of the Board or the relevant Committee prior to any such disclosure.

## **5 COLLECTIVE DECISION MAKING**

5.1 Once a matter is determined by the Board or Committee, individual Board and Committee members are expected to be bound by the collective decision of the Board. It is acknowledged that differences of opinion may arise in discussion of issues but, when a majority decision of the Board or Committee prevails, it should be supported outside the Board Meeting. Failure to support Board decisions outwith the meeting is considered as being serious misconduct.

5.2 In exceptional circumstances where a Board or Committee Member has concerns about the running of the organisation or a proposed action (for example where the Board Member or Committee Member considers that the Board or Committee is about to act illegally), their concerns should be minuted, and should the Board or Committee Member resign, he/she should be able to provide a statement to the Chair for circulation if he/she felt it necessary. The Association has a

Whistleblowing Procedure (referred to in paragraph 17 below) which may be appropriate for Board or Committee Members to use in such circumstances.

5.3 In exceptional circumstances, where they judge it necessary to discharge their responsibilities as directors, all non-executives should be entitled to professional advice at the Association's expense. Such advice would only be available at the Association's expense with the prior written consent of the Chair of the Board, in liaison with the Company Secretary, whose consent would only be given in exceptional circumstances.

## **6 NON-REPRESENTATION**

6.1 Board and Committee Members nominated by particular groups or organisations should not speak or vote at meetings as if delegated by the group or organisation which has nominated them. A Board or Committee Member should base his or her view of matters before the Board on an honest assessment of the available facts, unbiased by partisan or representative views.

## **7 REPRESENTING THE ORGANISATION**

7.1 Board and Committee Members must not in their official capacity, or any other circumstance, conduct themselves in a manner which could reasonably be regarded as bringing the Association into disrepute.

7.2 Board and Committee Members must not impart to the press, to any other party, or via social media or the internet, critical or negative information about the Board of the Association or Riverside, its stakeholders or its partners. If circumstances occur where the Board or Committee Member has serious concerns and feels it incumbent to disclose such information to a party outside the relevant Board, the Association's Whistleblowing Procedure (referred to in paragraph 17 of this Code of Conduct) should be followed.

7.3 Only the following persons should make statements to the press or to any other third parties on behalf of the Board unless the Board approves otherwise:

7.3.1 the Chair of the Association or the Managing Director of the Association or other officer so delegated by the Managing Director.

7.3.2 Subsidiaries – the Chair of the Association or the Managing Director of the Association.

7.4 Such statements should be in accordance with the Riverside Group Media Guidelines.

## **8 GRANT OF BENEFITS FROM GROUP ORGANISATIONS**

8.1 Decisions concerning the grant of benefits to Board or Committee Members, and those closely connected to them, may involve reputational risk for the Association. Accordingly, decisions relating to benefits for these individuals, and/or to any business trading for profit with which they are connected, must be made in accordance with Table 1 – ‘Grant of Benefits’ (Appendix 1) which sets out the decision-making requirements.

8.2 In line with the Scottish Housing Regulator’s Regulatory Standards, a register of interests which will include some of this information is presented to Board annually and is published annually on the external website.

8.3 It is not possible to provide guidance for every situation which may occur, and where there is any doubt, the Association’s values, the reputation of the Association and the Nolan principles referred to above should guide decision-making.

8.4 Where a decision in relation to the grant of a benefit is taken by the Board, the decision should be recorded in the minutes. In other cases, there is no need to report the provision of social or welfare benefits to the Board, save in exceptional or controversial circumstances.

8.5 The provision of significant hospitality or gifts to Association Board or Committee Members, to Association staff, or to third parties, by the Association, must be authorised by the Board, a Committee of the Board, a meeting of the Executive Team, or the Managing Director. For the purposes of this paragraph ‘significant’ means costing over £100 per person for hospitality or £300 for gifts.

8.6 The Company Secretary must be notified in writing of any benefits awarded by the Association to any Board or Committee Member or to those closely connected to them so that the information can be recorded in the register maintained for that purpose. The register will be presented to Board annually, made available for inspection by the Scottish Housing Regulator and others with a legitimate interest in the affairs of the organisation.

## **9 GIFTS AND HOSPITALITY FROM OTHER PEOPLE OR ORGANISATIONS**

9.1 As a general rule, personal gifts to Board or Committee Members should not be accepted apart from trivial, inexpensive items such as pens, diaries, calendars, or single bottles of wine or spirits, provided that they are given as a goodwill gesture, or small gifts of appreciation (e.g. flowers or small boxes of chocolates) where refusal

would genuinely cause offence. The soliciting of gifts, favours or legacies by Board or Committee Members is prohibited.

9.2 In particular, excessive gifts from suppliers or contractors should never be accepted. They should either be returned or donated to charity and a letter should be sent to the supplier or contractor concerned notifying them of this.

9.3 Board and Committee Members should not accept lavish hospitality, in particular entertainment, or any hospitality, which could be interpreted as a means of exerting an improper influence over the business of the Association.

9.4 If Board or Committee Members have any doubt whatsoever on accepting gifts or hospitality, they should seek the specific clearance of the Chair. The Company Secretary will be pleased to provide general guidance for Board and Committee Members on request.

9.5 Within 28 days of receiving any gift or hospitality estimated to have cost over the value of £100 from a party outside the Association, a Board or Committee Member should provide written notification to the Company Secretary of the existence and nature of that gift or hospitality so that the information can be recorded in the register maintained for that purpose. The register will be presented to Board annually, made available for inspection by the Scottish Housing Regulator and others with a legitimate interest in the affairs of the organisation. Gifts or hospitality may have or appear to have a bearing on the Board or Committee Member's impartiality and responsibility in relation to the Association. In case of doubt, it is always wiser to make a declaration, even where the estimated value of the gift or hospitality is less than £100.

## **10 PERSONAL INTERESTS**

10.1 The Association respects the right of individuals to have interests outside of the Association and recognises that the skills, knowledge and experience which they can bring to the Association from external activities can often be of great value to their role within the Association.

10.2 However, Board and Committee Members must not put themselves in a position where their personal interests, or their duties to other organisations or bodies, conflict, or might conflict, with the duty which they owe to the Association.

10.3 Board and Committee Members must not in their official capacity, or any other circumstance, use their position as a Board or Committee Member improperly to confer on or secure for themselves or for any other person, an advantage or disadvantage.

10.4 Board and Committee Members should be meticulous about declaring any actual or potential conflicts or duality of interests, or interests which could reasonably



be perceived to exist, affecting themselves, their family, friends, business colleagues or associates. The test is whether an interest might reasonably be thought to have influenced an outcome, as well as whether it actually did. Such interests or potential interests may include both financial and non-financial situations and must be declared in accordance with the requirements of this Code of Conduct.

10.5 When changes occur in either their own interests or those of a person closely connected to them, which give rise to a potentially serious or continuing conflict with those of the Association, Board and Committee Members should review their continuing membership and, if necessary, take advice on whether they should stand down.

10.6 Conflicts of interest should be managed to avoid any financial or non-financial personal gain (whether real or capable of being perceived) to Board Members or to any person or body connected to them (such as their family, friends and business colleagues).

## **11 REGISTERING INTERESTS**

11.1 Within 28 days of appointment, a Board or Committee Member must register his or her interests in the Association's Register of Interests by providing written notification to the Company Secretary of:

- a. Membership of other bodies, such as partnerships and voluntary organisations or other relevant bodies;
- b. Being an officer or elected member of any statutory body;
- c. Membership of a local authority, another public body, or another association or unregistered 'not for profit' body with interests in the area of operation of the Association;
- d. Directorships, or being an officer of other companies;
- e. Any interest as the owner or controller of more than 2% of a company, the shares in which are publicly quoted, or more than 10% of any other company;
- f. Membership of a campaigning, residents' or community organisation which has interests in the business and/or operation of the Association;
- g. membership of political parties and pressure groups;
- h. Relationship with, or to any of the following people connected with the Association:
- i. Any Board or Committee Member;

- ii. Any employee; or
- iii. Any tenant of any property which the Association owns or manages.
- i. Any occupation which the Board/Committee Member (or a close connection, or business in which they are concerned) has of any property which the Association owns or manages;
- j. Any close connection with any person or organisation which uses a contractor that the Association also uses;
- k. The address or other description (sufficient to identify the location) of any land in which he/she has a beneficial interest and which is in an area in which the Association operates; and
- l. Any other interest that might conflict with their interests, obligations and duties with the Association.

11.2 The above list is not exhaustive and it is the duty of the individual Board or Committee Member to ensure that any circumstances where there is a conflict, or potential conflict, of interest are reported to the Company Secretary.

11.3 Membership of other Boards or Committees within the same group structure is required to be declared under the, and this is achieved by the Board noting these interests once per annum, however it is still necessary to make a declaration at a meeting should an item of business arise which involves, or could be perceived to involve, an internal conflict.

11.4 Within 28 days of becoming aware of any changes to the interests specified above, a Board or Committee Member should provide written notification to the Company Secretary of that change.

11.5 The register of interests is published annually on the external website.

## **12 DISCLOSURE OF INTERESTS AT MEETINGS**

12.1 A Board or Committee Member should abstain from discussion and/or voting in relation to any matter in which they have, or could reasonably be perceived to have an interest. He or she must disclose to that meeting the existence and nature of that interest at the commencement the meeting, or when the interest becomes apparent (whether or not the Board or Committee Member has also made a written declaration).

12.2 The Board Member should not remain present unless requested to do so by the Board or Committee.

12.3 If a conflict of interest is clear and substantial the Board or Committee Member must:

- a. withdraw from the room where a meeting is being held whenever it becomes apparent that the matter is being considered at that meeting;
- b. not seek improperly to influence a decision about that matter; and
- c. not vote, or be counted towards the quorum necessary for taking a decision, in relation to the matter in question.

12.4 For the avoidance of doubt, Board or Committee Members who are tenants or residents of the organisation should regard matters specifically concerning their individual circumstances as a clear and substantial conflict; matters affecting tenants or residents more generally need to be declared only where they create a specific conflict of interest.

### **13 USING CONSULTANTS, SUPPLIERS AND CONTRACTORS**

13.1 Where the potential for a conflict of interests exists - e.g., in the personal use of a consultant, supplier, contractor or sub-contractor used by the Association, a Board or Committee Member should not employ such consultants, suppliers, contractors or sub-contractors, except where:

- a. The individual can demonstrate that there is a clear and unambiguous separation between their personal purchasing decision and decisions made on behalf of the Association;
- b. They can demonstrate that there is no reasonable or practicable alternative in the circumstances (e.g., emergencies, local scarcity, lack of equivalent expertise, national organisation);
- c. They can demonstrate that no preferential treatment is given or received; and
- d. In cases where there is any doubt or concern, the matter is declared to the Company Secretary for recording in the relevant register of interests.

### **14 BRIBERY ACT 2010**

14.1 Board and Committee Members should be aware that it is a criminal offence:

14.1.1 To offer, promise, or give a financial or other advantage intending it to induce a person to do something improper, or to reward someone for behaving improperly; or

14.1.2 To request, agree to receive, or accept, a financial or other advantage intending that a function should be performed improperly, or in anticipation, or as a reward, for improper performance.

14.2 Many provisions of this Code of Conduct, such as the requirement to register gifts and hospitality and the avoidance of using the Association's contractors for personal work, are intended as measures to assist in the prevention of bribery. However, should a Board or Committee Member have any suspicions or knowledge that bribery or attempted bribery is occurring he or she should report it the Company Secretary or use the Association's Whistleblowing procedure (see section 17) as soon as practicable.

## **15 OFFENCES/LEGAL ACTIONS AND CONFLICTS OF INTEREST**

15.1 The Association is committed to assisting with the rehabilitation of offenders where possible, however, there may be cases when it is considered inappropriate for persons accused or convicted of particular offences to remain in the position of authority accorded to a Board or Committee Member. Should this happen, each individual case will be considered by the Board on its merits, but individuals should be aware that they may be suspended pending the outcome of the court case, or required to resign from the Board or Committee, should the Board consider it necessary to protect the Association, or any of its tenants, residents or employees.

15.2 Any Board or Committee Member who is or becomes a party to a dispute or legal action involving the Association may be suspended from serving as a Board, or Committee Member until the dispute is resolved or the legal action is concluded.

15.3 Should a conflict of interest with the Association, or any other circumstances arise in connection with a Board or Committee Member, and the Board considers that it is in the best interests of the Association for the Board or Committee Member to be suspended, then the person may be suspended until the matter is resolved to the Board's satisfaction.

## **16 TENANT BOARD AND COMMITTEE MEMBERS – BREACH OF TENANCY**

16.1 Tenants who offer themselves for selection as Members of the Board or any Committee within the Association should have a good record of complying with tenancy conditions. If they are in serious breach of any condition, but particularly in regard to rent payment or neighbour nuisance, then they cannot be selected for Board or Committee Membership. The issuing of a Notice of Proceedings for Possession ("NOP") or obtaining a Recovery of Possession ("ROP") order is always classed as a serious breach of tenancy conditions. 'Technical' rent arrears due to Housing Benefit will normally be discounted, unless any delay in payment is the tenant's responsibility.

16.2 If an NOP is issued while the tenant is a Member of the Association's Board or Committee then the tenant will be suspended from his/her Board or Committee Membership until the case is heard by the court and the outcome known.

16.3 In any such proceedings, should the court find against a Board or Committee Member who is a tenant, then that tenant should be disqualified from the Board or Committee.

## **17 WHISTLEBLOWING PROCEDURE**

17.1 Should a Board or Committee Member become aware of any conduct by an employee, or by another Board or Committee Member which he or she reasonably believes involves a failure to comply with the Association's Code of Conduct, or become aware of any other matter of serious concern such as fraud or corruption, he or she should report it to the Managing Director or the Chair. Financial concerns should be directed to the Chair of the Audit & Risk Committee. To contact the Managing Director or these Board Members, a letter may be passed to the Company Secretary marked 'Private and confidential to be opened by addressee only'. Should a Board Member not feel able to report this matter to the officials mentioned above, the matter should be referred to the Group's Company Secretary or the Scottish Housing Regulator.

## **18 EXPENSES INCURRED BY BOARD MEMBERS**

18.1 The Association does not wish Board Members or other volunteers to be out of pocket as a result of their contribution to the Association's activities. Expenses incurred in carrying out approved duties may be claimed (using a Board Member Expenses Form, available from the Governance and Company Secretarial Assistant, and on production of receipts where appropriate) as follows:

- a. Travel to Meetings - Reasonable travel costs will be reimbursed by the Association. Taxis may be used when there is no alternative. In addition, the cost of other ancillary and essential costs incurred, such as parking expenses may be claimed.
- b. Subsistence - Reasonable expenses may be claimed for refreshment if none is provided and the member is away from home over four hours.
- c. Telephone - At cost.
- d. Conferences and Training - If a Board Member is an appointed delegate or representative, fees and accommodation booked by the Association will be paid direct. Otherwise they may be claimed on production of a booking form or receipt. Travelling expenses for such events will also be met.
- e. Caring responsibilities – Board or Committee Members who incur child care or other care costs to enable them to carry out approved duties will be entitled to

have reasonable costs reimbursed by the Association. This is subject to the prior agreement of the Chair.

## **19 DISCIPLINARY MATTERS**

19.1 The Association requires high standards from its Board and Committee Members and in the event that a Board or Committee Member fails to comply with the provisions of this Code of Conduct, or contravenes or undermines the aims and standards of the Association, disciplinary action may be taken in accordance with the Association's Guidance on Poor Performance and Misconduct of Board Members (Appendix 2).

## **CONTACT DETAILS**

The Company Secretary is Paul Hillard, Managing Director, telephone: 01294 316781, email: paul.hillard@irvineha.co.uk, address: 44-46 Bank Street, Irvine, Ayrshire, KA12 0LP.

I CONFIRM THAT I HAVE READ AND UNDERSTOOD THE ASSOCIATION'S CODE OF CONDUCT FOR BOARD AND COMMITTEE MEMBERS' AND I AGREE TO COMPLY WITH ITS PROVISIONS. I UNDERSTAND THAT, IF I AM FOUND TO HAVE BREACHED THIS CODE OF CONDUCT, ACTION WILL BE TAKEN BY THE BOARD WHICH COULD RESULT IN MY REMOVAL:

SIGNED:

.....

NAME (PLEASE PRINT):

.....

DATE:

.....

Approved by Board – 19.09.17

**TABLE 1 – GRANT OF BENEFITS**

- This table applies where a decision is being considered to grant a benefit from any part of Irvine Housing Association to any of those listed in the second column below, or to businesses in which any of those individuals are a principal proprietor or directly concerned in the management.
- The award of any particular benefit is not prevented by this table, provided that an informed decision has been made at an appropriate level, and the potential consequences of the proposed decision have been considered.
- The table does not apply to payments or benefits under a formal contract of employment, agreements for Board Member services or reimbursement of properly incurred appropriate expenses.
- No person may take a decision relating to the granting of benefits to himself or herself or those closely connected to that person.
- If there are any concerns about the appropriateness of any proposed decision, it should be referred upwards to the next level.

DECISION BEING CONSIDERED	RELATING TO THE FOLLOWING OR TO THOSE CLOSELY CONNECTED* TO THEM:	MUST BE MADE BY:	COMMENTS
<b>HOUSING</b>			
Offers of housing including (but not limited to) tenancies, licences, and shared ownership leases	Board Members Subsidiary Board Members Managing Director	Board	Care must be taken to avoid any risk of the Association seeming to favour its Board Members or employees. The process must be scrupulously fair.
	All other employees	Managing Director (who must not have been involved in the initial consideration of the specific matter)	The person in question should receive exactly the same consideration as any other applicant. Consideration of the application must be based solely on published allocations criteria, and the applicant must fully meet those criteria and the Association's published priorities.

			<p>The individual's interest or connection must be disclosed.</p> <p>No person closely connected to the applicant should play any part in the assessment or decision.</p> <p>Accommodation should not be offered with a job unless it is necessary for the post holder to carry out his/her duties properly.</p>
Offers of re-housing to those already housed by the Association	Board Members Subsidiary Board Members Managing Director	Board or Subsidiary Board in area where property is situated	<p>Board Members who are also tenants of the Association should not be disadvantaged in applying for either a transfer or re-housing, but should ensure they play no part nor exert any influence over the handling of their application.</p> <p>The individual's interest or connection must be disclosed.</p> <p>No preferential consideration should be given to the application.</p>
	All other employees	Managing Director	
<b>SALE/PURCHASE OF LAND</b>			
Sale of property/land (other than under right to buy, right to acquire or similar statutory schemes)  Or purchase of property/land	Board Members Subsidiary Board Members Managing Director	Board	<p>The greatest of care must be taken to avoid any impropriety or appearance of impropriety.</p> <p>It is essential as a minimum before entering into any sale agreement to:</p> <ul style="list-style-type: none"> <li>• obtain a report from a qualified, experienced surveyor acting exclusively for the Association</li> <li>• advertise the disposal in accordance with the recommendations of the surveyors report</li> <li>• decide that the proposed disposal is the best that can be reasonably obtained for the Association</li> </ul> <p>No preference should be given to the buyer. It is recommended that appropriate legal advice is sought.</p>
	All other employees	Operations Committee Managing Director	



**EMPLOYMENT**

Employment – offers of : <ul style="list-style-type: none"> <li>• Employment</li> <li>• Re-employment of those who have worked for the Association in the previous 12 months</li> <li>• Engagement as a self employed contractor</li> </ul>	Board Members Subsidiary Board Members Managing Director	Board	Where the applicant is : <ul style="list-style-type: none"> <li>• Board Member, or</li> <li>• a close relative or connection of a Board Member or Managing Director, or</li> <li>• any Board Member who has left the Association within the last 12 months</li> </ul> <p>The general presumption should be against offering employment.</p> <p>The Board Member or employee must have no involvement or influence over the recruitment and selection process.</p> <p>Consideration of the applicant must be based solely on merit and suitability in relation to the requirements of the post.</p> <p>Where employment is offered, the individual must have been considered the best candidate following a full and fair competitive recruitment process taking into account equality and diversity requirements and requirements of the role.</p>
	All other employees	Managing Director	

**INDEMNITY**

Provision of indemnity	Board Members Subsidiary Board Members Managing Director	Board	Legal advice should be taken on the power, terms of and limits to any proposed indemnity.
	All other employees	Managing Director	

<b>PAYMENTS TO BUSINESSES TRADING FOR PROFIT</b>			
Payments to businesses trading for profit in which any individuals listed in the second column or those closely connected to them are a principal proprietor or directly concerned in the management	Board Members Subsidiary Board Members Managing Director	Board	The payments must be for the purpose of furthering the Association's social housing objectives and the benefits to the Association must be clearly demonstrated.
	All other employees	Managing Director	Care must be taken to avoid any risk of the Association seeming to favour its Board Members or employees. The process must be scrupulously fair.  No person connected to the business trading for profit should play any part in the decision.
<b>AWARD OF ANY KIND OF CONTRACT TO BUSINESSES TRADING FOR PROFIT</b>			
Award of any type of contract to businesses trading for profit in which any individuals listed in the second column or those closely connected to them are a principal proprietor or directly concerned in the management	Board Members Subsidiary Board Members Managing Director	Board	Proper transparent tendering and procurement procedures must be followed.  Care must be taken to avoid any risk of the Association seeming to favour its Board Members or employees. The process must be scrupulously fair.
	All other employees	Managing Director	No person connected to the business trading for profit should pay any part in the decision.
<b>GIFTS AND/OR HOSPITALITY</b>			
The provision of significant hospitality or gifts	Any Board or Committee Member (including Subsidiary Board members and Co-Optees) Any employee Any third party	Board, a Committee of the Board, Subsidiary Board or the Managing Director	For the purposes of this paragraph 'significant' means costing over £100 per person for hospitality, or £300 per person for gifts.  If the decision is at a meeting it should be recorded in the minutes of that meeting.

<b>OTHER BENEFITS</b>			
The list above is not exhaustive and where any decision concerning the grant of a benefit may lead to an appearance of improbability, or may raise any other concerns, the decision must be taken in accordance with Table 1	Board Members Subsidiary Board Members Managing Director	Board or Subsidiary Board as considered appropriate in the circumstances	Where a decision in relation to the grant of a benefit is taken at a meeting the decision should be recorded in the minutes.
	All other employees	Managing Director or Executive Director (who must not have been involved in the initial consideration of the specific matter)	In other cases there is no need to report the provision of social or welfare benefits to the Board save in exceptional or controversial circumstances.

\*'Closely connected' includes husband, wife, civil partner, partner, fiancé, parent, grandparent, child, grandchild, brother, sister, similar relations by marriage, close friend and could other relationships, such as aunt or uncle if there is sufficient degree of closeness. The onus is on the individual to disclose the relationship where there is any doubt.

\*\*Where the applicant is married to, or a civil partner of, Board Member of the Managing Director it is essential to ensure that the provisions of the Equality Act 2010 are not contravened.

Approved by Board 19 September 2017

### GUIDANCE ON DEALING WITH POOR PERFORMANCE AND MISCONDUCT ON THE PART OF BOARD AND COMMITTEE MEMBERS

#### 1. Introduction

- 1.1. The role of Board and Committee Members in a large organisation such as Riverside is demanding and challenging, requiring strong, principled and effective Board Members to direct strategy in a complex business dealing with a wide range of social issues. Many organisations shy away from a Board Member disciplinary policy and procedure and this is often because they feel it is inappropriate to 'discipline' Board and Committee Members who are giving their time voluntarily. However the SHR's Regulatory Standards require that Board Members are appraised and it is therefore important to have guidance in place should Board or Committee Members not do what is required of them.
- 1.2. Furthermore, it would do little to promote Board Leadership of the Association if members of staff see Board or Members failing to perform or behaving unchallenged in a way in which it would be unacceptable for them to behave.
- 1.3. The Association will therefore tackle poor performance in accordance with this guidance.
- 1.4. Board Members agree on appointment to be bound by the Code of Conduct and the Board Member Agreement for Services. Failure to comply with these documents will be a disciplinary matter.
- 1.5. However, disciplinary matters are always sensitive, and need to be handled accordingly. Whilst there are some behaviours which are clearly wholly unacceptable and can be dealt with by following clear rules, in many cases the appropriate response will be a matter of judgement. This Appendix seeks to give guidance to those applying judgement, by giving examples of types of misconduct.
- 1.6. It is of paramount importance that poor performance by Board Members or their misconduct is dealt with fairly and consistently across the Group. Therefore, for any Board, in cases of doubt, reference should be made to the Chair and in

addition the Company Secretary will be pleased to provide general guidance for Board and Committee Members on request.

## **2. What do we mean by poor performance or misconduct by a Board Member?**

2.1 Such matters will be classed in one of the following categories: minor performance issues, misconduct, or serious misconduct. The following paragraphs illustrate by example the type of behaviour which would fall into each category:

### **2.1.1 Bringing the organisation into disrepute**

An example, which could be misconduct (depending on the seriousness of the behaviour), would be behaving inappropriately at a conference or similar event;

Examples of serious misconduct could be:

- a. Writing letters, giving interviews or relaying opinion critical of the Association or Group, its stakeholders, or its partners to the local or national press; or
- b. Assault of another Board Member or member of staff.
- c. Not adhering to collective decision making.

### **2.1.2 Failing to demonstrate probity**

Examples of misconduct could be:

- a. Accepting gifts and hospitality which could be seen to compromise the Board Member's position; or
- b. Failing to declare a relevant interest.

Examples of serious misconduct could be:

- a. Seeking to get preferential treatment for a member of his or her family in terms of re-housing or some other service provided by the Association;
- b. Discussing confidential information about the Association or Group with a third party; or
- c. Claiming expenses fraudulently.

### **2.1.3 Behaving inappropriately in relation to equality and diversity issues**

An example of misconduct could be using inappropriate language at Board meetings;

An example of serious misconduct could be sexually harassing a tenant or resident, another Board Member or a member of staff.

#### 2.1.4 Failure to comply with the Agreement for Services

Examples of misconduct would be:

- a. Repeated non-attendance at Board and/or Committee Meetings without the express consent of the Chair; or
- b. A refusal to take part in the appraisal process.

2.2 Misconduct does not mean being deemed not to 'fit in' to the existing Board team. Expressing different views to those generally held within the Board creates healthy challenge and brings new perspectives as long as Board decisions are supported outside meetings. Similarly, some Board and Committee Members will have different backgrounds and interests to the majority of their colleagues. This brings real diversity to the team.

### **3. Principles underlying procedures to deal with Board Member poor performance and/or misconduct**

- 3.1 Riverside procedures are designed to encourage and support Board Members to improve;
- 3.2 The perceived problem should be made clear to the Board Member and he/she must be given an opportunity to state his/her case before decisions are reached;
- 3.3 Action must not be taken until the facts have been established;
- 3.4 Action must be reasonable in relation to the circumstances of the case;
- 3.5 Unless the Board Member has committed serious misconduct, no Board Member should be required to leave the Board for a 'first offence';
- 3.6 The Board Member must always receive a clear, written explanation about any action taken and any improvements expected of him/her;
- 3.7 Issues should be dealt with as thoroughly and promptly as possible; and
- 3.8 Action should always be consistent.

### **4. Who should deal with poor performance or misconduct issues?**

- 4.1 Where an individual Board Member is failing to perform in accordance with the Board's requirements, or is suspected of misconduct, the Chair should take the lead in seeking to resolve the problem. The Chair may take advice from the Chair of the Governance and Staffing Committee, the Managing Director, and/or an independent specialist.

4.2 Where the Chair is failing to perform, or does not take appropriate action, it is the Board’s role, constitutionally, to take the lead. In practical terms this may mean the Chair of the Governance and Staffing Committee or another senior Board Member, or the Managing Director taking appropriate action as set out in section 5 of this procedure.

**5. What actions might be appropriate to deal with poor performance and/or misconduct?**

**5.1 Minor performance issues**

5.1.1 Such issues are handled locally and often it will be enough to point out a problem informally and explain what is needed. In addition the following options could be considered:

Training and development activities to:	<ul style="list-style-type: none"> <li>• Develop understanding on specific topics and increase the ability to contribute;</li> <li>• Appreciate the difference between Board and Executive issues;</li> <li>• Practice specific skills such as strategic planning;</li> <li>• Assist in developing overall confidence.</li> </ul>
Mentoring and support from an experienced Board Member to:	<ul style="list-style-type: none"> <li>• Develop an increased understanding of what is required of a Board Member;</li> <li>• Help in preparing for Board Meetings;</li> <li>• Appreciate the difference between Board and Executive issues.</li> <li>• Assist in developing overall confidence</li> </ul>
Visits to offices, housing schemes and partner organisations to:	<ul style="list-style-type: none"> <li>• Develop a greater understanding of the business and the areas in which the organisation operates;</li> <li>• Develop a greater appreciation of staff activities and customer requirements.</li> </ul>
Mentoring from an experienced Board	<ul style="list-style-type: none"> <li>• This can be particularly useful when, for example, the organisation first appoints Board</li> </ul>

Member of another organisation or an external consultant.	Members who are tenants and existing Board Members do not have the appropriate background to provide support.
Attendance at external Board conferences and training events	<ul style="list-style-type: none"> <li>To widen the Board Member's experience through exposure to other ideas about governance from other organisations</li> </ul>
Agreeing special leave of absence	<ul style="list-style-type: none"> <li>To assist a Board Member who may be having short term personal or work related problems which are detracting from their ability to perform their duties as a Board Member</li> </ul>

5.1.2 It will always be appropriate to discuss any such issues in the course of the Board Member's appraisal. In cases where the Board Member is unable to perform despite his or her best efforts, consideration must be given to the relative importance of the issue in relation to other skills, competencies and experience offered by the Board Member.

5.1.3 A note of the matter will be placed on the Board Member's file, and a copy given to the Board Member concerned.

## **5.2 Misconduct**

5.2.1 These are the kind of incidents that, even if they occurred through ignorance, it is unacceptable to repeat. They may involve more serious inappropriate behaviour which fails to uphold organisational values and policies.

5.2.2 In these cases, the Chair of the Board, or any person referred to in paragraph 4.2, should inform the Managing Director who will appoint an appropriate person to investigate the alleged misconduct. The person appointed will not be Group Nominee or Co-optees of the Board concerned. The appropriate person will conduct an investigation, interview the individual Board Member and make a recommendation to the Board.

5.2.3 The Board will then make a decision based on the information provided.

5.2.4 The appropriate person may recommend any of the actions mentioned above but the consequences of repetition will have to be made clear. A note of the



matter will be placed on the Board Member's file, and a copy given to the Board Member concerned.

- 5.2.5 It may in addition be appropriate depending on the seriousness of the matter to issue a written warning (a copy being placed on file). This may be a final warning, in which case its wording will clearly state that it is a final warning.

### **5.3 Serious misconduct**

- 5.3.1 This includes incidents where the Board Member has knowingly put the Association or an individual at serious risk.

- 5.3.2 In these cases the Board Member will be suspended by the Chair of the Board, (or, where the Chair is to be suspended, the Group Chair;) from office until the disciplinary procedure is completed.

- 5.3.3 The Chairman of the Board, or any person referred to in paragraph 4.2, should inform the Managing Director who will appoint an appropriate person to investigate the alleged misconduct. The person appointed will not be Group Nominees or Co-optees of the Board. The appropriate person will conduct an investigation, interview the individual Board Member and inform the Board of the recommendation to be made to them.

- 5.3.4 The Board will consider the recommendation and make a decision on the information provided.

- 5.3.5 The Board will then notify Group's Governance & Remuneration Committee of its decision.

- 5.3.6 Such recommendation may include terminating the appointment of the Board Member concerned (without having previously given a verbal or written warning).

## **6. Removing a Board Member**

- 6.1 Regard should be had to the Association's Rules, which sets out certain circumstances where Board Membership must be terminated, or where it may be terminated by the organisation concerned. In addition to this, under the Association's Rules and the Partnership Agreement, TRGL may remove Board Members of the Association.

- 6.2 It will be necessary to consider removing a Board Member if he/she:

- 6.2.1 Repeatedly fails to improve performance despite training and support;  
6.2.2 Repeats unacceptable behaviour after formal warning; or

- 6.2.3 Is found after proper investigation to have committed serious misconduct.
- 6.3 Following a recommendation of the *Governance and Staffing Committee* to the Board that a Board Member be removed, the Board will consider the matter. Should Board approve the recommendation, then with immediate effect the Board Member will cease to hold:
  - 6.3.1 Board Membership;
  - 6.3.2 Shareholding membership of the Association (if agreed by the Board);
  - 6.3.3 Membership of any Committees/; and
  - 6.3.4 Shareholding membership of TRGL (if applicable).
- 6.4 The Board Member will be informed in writing of this decision by the Chair.

Approved by Board 19 September2017