



# Policy

-

## Code of Conduct Board Members

Policy Valid From	August 2012
Last Review date	September 2017
Next Review Date	September 2020



**Creating thriving rural communities**  
[www.berwickshirehousing.org.uk](http://www.berwickshirehousing.org.uk)

Berwickshire Housing Association is a Registered Society. Registration No.: SP2482RS  
Scottish Charity No.: SC042342 Registered Office: 55 Newtown Street, Duns, TD11 3AU

## 1. INTRODUCTION

- 1.1. The purpose of this Code is to encourage the highest standards of integrity in the management of Berwickshire Housing Association (“BHA” or “Association”). The code applies equally to all Board Members including those in our subsidiaries. There are four main reasons why it is desirable to adopt such a code:
  - 1.2. To provide a means of self-regulation rather than leave the task to future inspections to highlight areas of improvement;
  - 1.3. to provide a set of norms against which members and Boards can assess their present arrangements;
  - 1.4. to enhance the reputation of BHA and to protect it from ill-informed criticism by defining acceptable standards of behaviour.
  - 1.5. To comply with the requirements of the Scottish Housing Regulator (SHR) (2012) Regulatory Framework, Regulatory Standard.
2. The Code is presented in two parts: the first deals with the conduct of individual Board Members (Trustees) and attempts to describe a standard of conduct which should be followed by individual Board members of BHA. This code is provided using the model Code of Conduct agreed between the SHR and the Scottish Federation of Housing Associations (SFHA) in July 2014 and revised in August 2017 and is presented in the same format as that approved by both these bodies and is noted below as **Attachment 1**. The second part deals with management practices and attempts to set out principles which should inform such management practices.
3. Although observance of a code may be a pre-requisite for a well run Association it does not guarantee good management. However, observing the principles set out in the Code will be a significant element in maintaining public confidence in BHA.

In order to allow BHA to operate a Code of Conduct effectively the following measures are in place: -

- 3.1. The Association maintains a register of interests of individual Board Members which discloses at a minimum their employment, positions of public responsibility, membership of housing Associations or co-operatives and any financial interests which may relate to the work of BHA.
- 3.2. A separate policy exists that deals with the payment of expenses to members of the Board relating to out of pocket expenses properly incurred in the business of the Association.

#### **4. PART TWO: MANAGEMENT PRACTICE**

Part two of this Code concerns matters of management practice and is intended to assist Board Members in the direction of their affairs.

#### **5. OBJECTIVES AND POLICY**

- 5.1. The Board must establish its objectives within the chosen set of rules and constitutions which govern its activities. It should establish policies within this framework and ensure that they are fully implemented.
- 5.2. The Board must consider at reasonable intervals whether these objectives remain valid and relative in the light of changing circumstances. Furthermore, it should ensure that details of these objectives and policies are available on request to those with an interest in the affairs of the Association, including tenants, local authorities, representatives of the community and the public at large.

#### **6. THE BOARD OF DIRECTORS**

The Board of Directors acts for and in the name of the Association. It must retain ultimate control over all aspects of the organisation's work and ensure that its financial and legal responsibilities are properly fulfilled. For this purpose, it should pay special attention to the matters mentioned below: -

- 6.1. The membership of the Association should be reviewed at reasonable intervals to ensure that it is representative of the interests the organisation seeks to serve and can thereby properly fulfil its task of electing the Board.
- 6.2. The membership of the Board itself should similarly be considered in the light of possible co-options or the filling of casual vacancies, to ensure both that it can represent the interests the Association seeks to serve and that it contains sufficient expertise to handle its duties and control the affairs of the organisation.
- 6.3. The value of delegating certain functions to Committees and individual Board Members should not be overlooked though the extent to which this is done will naturally vary according to different circumstances. In all cases, each Board Member should be clear about his or her individual and collective roles. The extent and lines of delegated authority should be defined and known to all concerned, with proper procedures established for reporting back on the exercise of delegated responsibility.

The Board should ensure that they meet often enough to carry out the Association's business without delay and that any procedures for Board meetings (additional to those laid down in the rules) are defined and followed.

## 7. THE BOARD MEMBER

The duty of the Board member is to the Association, its tenants, its staff and, particularly where the Association is in receipt of public funds, to the community at large. All Board members should therefore satisfy themselves that they have sufficient access to all relevant information and are sufficiently informed of the affairs of the Association and its background to be able to make properly informed decisions on matters affecting the organisation.

## 8. STAFF

The Board of Directors will need to satisfy itself that the organisation is complying with all current legislation and best practice on employment and that:-

- 8.1. the roles and responsibilities of both the Board and staff are defined and understood by all, the extent of authority delegated by the Board to staff and the procedures for reporting are defined and known, and the staff are able properly to carry out their duties;
- 8.2. a defined, impartial and fair practice in the recruitment of staff is established, known to all concerned and followed;
- 8.3. members of staff have job descriptions which set out their responsibilities;
- 8.4. arrangements are established and followed to review and support the work of all staff at regular intervals to ensure that the quality and number of staff employed are appropriate to the tasks that need to be undertaken;
- 8.5. the salaries and additional benefits paid by the Association are broadly comparable to those of occupations requiring similar qualifications and experience and that the conditions within which staff are expected to work are of a sufficient standard to ensure that they can properly perform their duties. The policies of the Association in respect of the employment of its staff, for instance concerning salary reviews or membership of a trade union, should be set out and available to all staff;
- 8.6. there should be established procedures to deal with the grievance of any member of staff or to discipline any member of staff. These procedures should be set out in writing, be available to all staff and include a right to present, as a final resort, a case in person to the Board of Directors (or to whomever the Board has delegated the responsibility for the final appeal).

## 9. HOUSING MANAGEMENT

The Association believes that high standards of housing management are its hallmark.

The Association should seek in its management to reconcile a high quality service to tenants, the convenience of the tenant, the cost to the organisation and its responsibilities to the wider community.

## 10. FINANCIAL CONTROL

The Board of Directors should at all times be in control of the Association's finances and ensure that generally the expenditure of the organisation is covered by the income it can expect from all sources. Also, that the Association's activities adequately match the skills of the Association. Annual audited accounts should be published in accordance with the organisation's rules and the recommended form of accounts and all statutory returns should be completed within the period prescribed.

## 11. BOARD GOVERNANCE

Good Board Governance is essential and therefore should be discussed at all Trustee meetings. To enable this, a standing report will be added to each Trustee Agenda and this report will be prepared by the Company Secretary. This report will provide a suitable platform to inform all Trustees of matters relating to Board membership and good governance. This will include the appointment of new Trustees as well as requests from existing Trustees for periods of leave of absence or where a Trustee has decided to resign from their post.

Requests for leave of absence, declarations of interest and notifications of resignation from Trustees should be made in writing to the Convener with a copy sent to the Company Secretary at 55 Newtown Street, Duns, TD11 3AU. A Board member is asked to explain the reasons for their request and to raise any issues they may wish to bring to the attention of their fellow Board members or the SHR in that letter. The Company Secretary will provide a written acknowledgement of any such correspondence within 7 days of receipt and produce a subsequent report to the Board(s) at the earliest opportunity. A similar procedure will be undertaken for Trustee appointments to fill casual vacancies or for co-option and other important governance matters. The Company Secretary will also ensure that all relevant statutory bodies are notified of changes and this will include where appropriate informing the Scottish Housing Regulator, OSCR and our Auditors and Lenders if necessary.

## **12. DEVELOPMENT**

The Board should recognise that development work is a means of achieving the Association's housing objectives and is not an end in itself. Not only will it ensure that the management and maintenance implications of development projects receive consideration before the projects proceed but it will also take full account of the impact of any development in the local community. Moreover, where it is proposed to purchase properties which are tenanted, information about the aims and objectives of the Association should be given to these tenants and (where practicable) their views on the proposed acquisition considered prior to the purchase of the property.

## **13. CONCLUSION**

The general theme of this Code is that Board members have personal and collective duties and responsibilities for the proper conduct of their affairs, not only to themselves and to their tenants, but also to the community at large. Openness of information and a willingness to help should be underlying characteristics of an Association's relationship with the outside world. The actions of the Association reflect not only upon itself but upon all Associations and co-operatives. Mis-management by one organisation, however small, can sometimes have a disproportionate affect upon the reputation of the Voluntary Housing Movement in general. Public confidence in the future of the Voluntary Housing Movement depends upon all Associations and co-operatives maintaining high standards. BHA believes that by following this Code, Board Members will be better able to maintain and develop that public confidence.

## **14. REVIEW PERIOD**

This Policy will be reviewed every three years or earlier if required.

ATTACHMENT 1 – MODEL CODE OF CONDUCT FOR GOVERNING BODY MEMBERS



# Model Code of Conduct for Governing Body Members

August 2017





## Contents

<b>Introduction</b>	<b>p2 – p3</b>
Who the Code applies to	p2
How the Code Is structured	p3
<b>The Principles</b>	<b>p3 – p10</b>
Selflessness	p4
Openness	p5
Honesty	p6
Objectivity	p7
Integrity	p8
Accountability	p9
Leadership	p10
<b>Declaring and Managing Personal Interests</b>	<b>p11</b>
<b>Breach of the Code</b>	<b>p11</b>
Review	p11
Acceptance	p11

<b>Appendix 1: Declaring and Managing Personal Interests</b>	<b>p12-15</b>
<b>Appendix 2: Protocol for Dealing with a Breach of the Code of Conduct</b>	<b>p16-19</b>

## Introduction

*There are references throughout this Code of Conduct (the Code) to 'you' and 'your' which means the member of the Governing Body of BHA who has signed this Code. References to 'we', 'us' and 'our' mean BHA.*

- 1.1 We attach the greatest importance to ensuring that high standards of governance and ethical behaviour are demonstrated by all of our people and in all of our activities.
- 1.2 This Code of Conduct sets out the requirements and expectations which are attached to your role as a member of our Governing Body. You have a personal responsibility to uphold the requirements of this Code. You cannot be a member of the Governing Body if you do not agree to adopt this Code of Conduct. To confirm that you understand its requirements and accept its terms, you must review and sign this Code annually.
- 1.3 As a Registered Social Landlord (RSL), we are required to adopt and comply with an appropriate Code of Conduct<sup>1</sup>. This Code is based on the Model Code of Conduct produced by the Scottish Federation of Housing Associations. The Scottish Housing Regulator (SHR) has confirmed that this Code fully complies with its Regulatory Standards and their input during the production of this code is acknowledged.
- 1.4 This Code of Conduct is an important part of our governance arrangements. Members of the Governing Body are responsible for ensuring that they are familiar with the terms of this Code and that they always act in accordance with its requirements and expectations. Governing Body Members must always ensure their actions accord with the legal duties of the RSL and with regulatory guidance. You must also ensure you are familiar with any policies which are linked to this code.
- 1.5 If a member of the Governing Body appears to have breached any part of this Code, the matter will be investigated in accordance with the procedures set out at (Appendix 2). A breach of this Code may result in action being taken by the Governing Body to remove the member(s) involved.

## Who the Code applies to

- 2.1 This Code of Conduct applies to all elected, appointed and co-opted members of our Governing Body and its sub-committees [and to the governing bodies of all subsidiaries and members of the (BHA) Group].

---

<sup>1</sup> Scottish Housing Regulator (2012) Regulatory Framework, Regulatory Standard 5.2 available: [here](#)

## How the Code is structured

- 3.1 The Code is based on the seven principles which are recognised as providing a framework for good governance. They demonstrate honesty, integrity and probity.<sup>2</sup>
- 3.2 Each principle is described, as it applies to the activities of a RSL and its Governing Body Members, and supporting guidance is offered for each to provide more explanation of the Code's requirements. The guidance is not exhaustive and it should be remembered that Governing Body Members and RSLs are responsible for ensuring that their conduct at all times meets the high standards that the RSL sector is recognised for upholding.

## The Principles

- 4.1 The seven principles and what they mean for the purposes of this Code are:
  - A. [Selflessness](#) (page 4)
  - B. [Openness](#) (page 5)
  - C. [Honesty](#) (page 6)
  - D. [Objectivity](#) (page 7)
  - E. [Integrity](#) (page 8)
  - F. [Accountability](#) (page 9)
  - G. [Leadership](#) (page 10)

---

<sup>2</sup> Committee for Standards in Public Life 1994, [Nolan Principles on Standards in Public Life](#)

**A. Selflessness**

You must act in the best interests of (BHA) at all times and must take decisions that support and promote our strategic plan, aims and objectives. Members of the Governing Body should not promote the interests of a particular group or body of opinion to the exclusion of others.

- A.1** You must always uphold and promote our aims, objectives and values and act to ensure their successful achievement.
- A.2** You should exercise the authority that comes with your role as a Governing Body member responsibly and not seek to use your influence inappropriately or for personal gain or advantage.
- A.3** You must accept responsibility for all decisions properly reached by the Governing Body (or a sub-committee or working group with appropriately delegated responsibility) and support them at all times, even if you did not agree with the decision when it was made.
- A.4** If you are unable to support in public a decision that has been properly reached by the Governing Body, you should resign.
- A.5** You must consider the views of others and be tolerant of differences.
- A.6** You must not seek to use your position to influence decisions that are the responsibility of staff (e.g. granting a tenancy, ordering a repair, awarding a contract).
- A.7** You must not seek to use your influence for the benefit of yourself or your business interests, or the benefit of someone to whom you are closely connected<sup>3</sup> or their business interests.
- A.8** Mobile phones should be switched off during meetings, seminars, training courses etc.

---

<sup>3</sup> See Appendix 1, p13-15 for definition of “closely connected”

**B. Openness**

You must be transparent in all of your actions; you must declare and record all relevant personal and business interests and must be able to explain your actions.

- B.1** You should exercise reasonable skill and care in the conduct of your duties.
- B.2** You should avoid any situation that could give rise to suspicion or suggest improper conduct.
- B.3** You must declare any personal interest(s) and manage openly and appropriately any conflicts of interest and observe the requirements of our policy on the matter.
- B.4** You must not accept any offers of gifts or hospitality from individuals or organisations which might reasonably create – or be capable of creating – an impression of impropriety, influence or place you under an obligation to these individuals or organisations. You must comply with our policy on the matter.
- B.5** You must ensure that you are informed about the views, needs and demands of tenants and service users and that your decisions are informed by this understanding.
- B.6** You must ensure that the organisation is open about the way in which it conducts its affairs and positive about how it responds to requests for information.
- B.7** You must not prevent people or bodies from being provided with information that they are entitled to receive.

## **C. Honesty**

You must ensure that you always act in the best interests of the organisation and that all activities are transparent and accountable.

- C.1** You should always act in good faith when undertaking your responsibilities as a Member of our Governing Body.
- C.2** You should use your skills, knowledge and judgement effectively to support our activities.
- C.3** You should ensure that decisions are always taken and recorded in accordance with our Rules and procedures.
- C.4** You must ensure that the organisation has an effective policy and procedures to enable, encourage and support any staff or Governing Body member to report any concerns they have about possible fraud, corruption or other wrongdoing.<sup>4</sup>
- C.5** You must report any concerns or suspicions about possible fraud, corruption or other wrongdoing to the appropriate senior person within the organisation in accordance with our whistleblowing policy.
- C.6** You must not misuse, contribute to or condone the misuse of our resources and must comply with our policies and procedures regarding the use of its funds and resources.<sup>5</sup>
- C.7** We forbid all forms of bribery, meaning a financial or other advantage or inducement intended to persuade someone to perform improperly any function or activity. You are not allowed to accept or give bribes from/to anyone, and must comply with our policy on bribery. You are also obliged to report any instances of suspected bribery within the organisation or any of its business partners.
- C.8** You, or someone closely connected to you (see Appendix 1, p12-15), cannot as a result of your role with us receive preferential treatment relating to any services provided by the organisation or its contractors/suppliers, and you should be able to demonstrate this.

---

<sup>4</sup> These concerns might include, but are not confined to, suspected fraud, dishonesty, breach of the law, poor practice, non-compliance with regulatory requirements, misconduct, breach of this code.

<sup>5</sup> Resources include people, equipment, buildings, ICT, funds, knowledge, stationery, transport

**D. Objectivity:**

You must consider all matters on their merits; you must base your decisions on the information and advice available and reach your decision independently.

- D.1** You must ensure that the decisions that you take are consistent with our aims and objectives and with the 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).
- D.2** You must prepare effectively for meetings and ensure you have access to all necessary information to enable you to make well-informed decisions.
- D.3** You must monitor performance carefully to ensure that the organisation's purpose and objectives are achieved, and take timely and effective action to identify and address any weaknesses or failures.
- D.4** You should use your skills, knowledge and experience to review information critically and always take decisions in the best interests of the organisation, our tenants and our service users.
- D.5** You should ensure that the Governing Body seeks and takes account of additional information and external/independent advice where necessary and/or appropriate.
- D.6** You should ensure that effective policies and procedures are implemented so that all decisions are based on an adequate assessment of risk, deliver value for money, and ensure the financial well-being of the organisation.
- D.7** You should contribute to the identification of training needs, keep your housing and related knowledge up to date, and participate in training that is organised or supported by us.



**E. Integrity:**

You must actively support and promote our values; you must not be influenced by personal interest in exercising your role and responsibilities.

- E.1** You must always treat your Governing Body colleagues, our staff and their opinions with respect.
- E.2** You must always conduct yourself in a courteous and professional manner; you must not, by your actions or behaviour, cause distress, alarm or offence.
- E.3** You must declare any personal interests in accordance with this Code (see Appendix 1); in the event that you have a continuing personal interest which conflicts with our activities, values, aims or objectives, you should resign.
- E.4** You must ensure that you fulfil your responsibilities as they are set out in the relevant role description; that you maintain relationships that are professional, constructive and that do not conflict with your role as a member of the Governing Body.
- E.5** You must uphold our equality and diversity, whistleblowing and acceptable use<sup>6</sup> policies.
- E.6** You must respect confidentiality and ensure that you do not disclose information to anyone who is not entitled to receive it, both whilst you are a member of the Governing Body and after you have left.
- E.7** You must observe and uphold the legal requirements and our policies in respect of the storage and handling of information, including personal and financial information.
- E.8** You must not make inappropriate or improper use of, or otherwise abuse, our resources or facilities and must comply with our policies and procedures regarding the use of its funds and resources.
- E.9** You must not seek or accept benefits, gifts, hospitality or inducements in connection with your role as a member of our Governing Body, or anything that could reasonably be regarded as likely to influence your judgement. You must not benefit, or be perceived to benefit, inappropriately from your involvement with the organisation and must comply with our policies on the matter.

---

<sup>6</sup> This relates to the use of ICT, social media and networking, facilities etc., and is specific to each individual RSL.

## **F. Accountability**

You must take responsibility for and be able to explain your actions, and demonstrate that your contribution to our governance is effective.

- F.1** You must observe and uphold the principles and requirements of the SHR's Regulatory Standards of Governance and Financial Management, guidance issued by the SHR and other regulators, and ensure that (BHA's) legal obligations are fulfilled.
- F.2** You must ensure that we have effective systems in place to monitor and report its performance and that corrective action is taken as soon as the need is identified.
- F.3** You should contribute positively to our activities by regularly attending and participating constructively in meetings of the Governing Body, its committees and working groups.
- F.4** You should always be courteous and polite and behave appropriately when acting on our behalf.
- F.5** You must participate in and contribute to an annual review of the contribution you have made individually to our governance.
- F.6** You must ensure that there is an appropriate system in place for the support and appraisal of our Senior Officer and that it is implemented effectively.
- F.7** You must not speak or comment in public on our behalf without specific authority to do so.
- F.8** You must co-operate with any investigations or inquiries instructed in connection with this Code.
- F.9** You recognise that the Governing Body as a whole is accountable to its tenants and service users, and you reflect this in your actions as an individual.

**G. Leadership:**

You must uphold our principles and commitment to delivering good outcomes for tenants and other service users, and lead the organisation by example.

- G.1** You must ensure that our strategic aims, objectives and activities deliver good outcomes for tenants and service users. You must ensure that you make an effective contribution to our strategic leadership.
- G.2** You must ensure that our aims and objectives reflect and are informed by the views of tenants and service users.
- G.3** You must always be a positive ambassador for the organisation.
- G.4** You must participate in and contribute to the annual review of the Governing Body's effectiveness and help to identify and attain the range of skills that we need to meet our strategic objectives.
- G.5** You must not criticise the organisation or our actions in public.
- G.6** You must not criticise staff in public; any staffing related matters should be discussed privately with the Chair and/or Senior Officer.
- G.7** You must not use social media to criticise or make inappropriate comments about the organisation, its actions or any member of the Governing Body, staff or other partners.
- G.8** You must not act in a way that could jeopardise our reputation or bring us into disrepute.<sup>7</sup>

---

<sup>7</sup> This includes activities on social media, blogs and networking sites.

## Declaring and Managing Personal Interests

- 5.1 Where you have a personal, business or financial interest in any matter that is relevant to our activities or is being considered (or is likely to be considered), or you know that someone to whom you are closely connected has such an interest, you must declare it promptly and record it in our Register of Interests.
- 5.2 You must keep your entry in the Register of Interests complete, accurate and up to date.
- 5.3 More details and examples are included at Appendix 1 (p12-15).

## Breach of this Code

- 6.1 Each member of the Governing Body has a personal and individual responsibility to promote and uphold the requirements of this Code. If any member of the Governing Body believes that they may have breached the Code, or has witnessed or has become aware of a potential breach by another member, they should immediately bring the matter to the attention of the Chair.
- 6.2 Alleged breaches of the Code of Conduct will be dealt with by the Chair, with the support of the Senior Officer where appropriate. Where the allegation of a breach is against the Chair, the Vice-Chair will be responsible for leading the investigation. The procedure for dealing with alleged breaches is described in the accompanying protocol.
- 6.3 Each member of the Governing Body has a duty to co-operate with and contribute to any investigation relating to the Code of Conduct

## Review

- 7.1 This Code of Conduct was adopted by the Governing Body on 26 September 2017. It will be reviewed not later than September 2020.

## Acceptance

I \_\_\_\_\_ have read and understood the terms of this Code of Conduct and I agree to uphold its requirements in all my activities as a member of our Governing Body. I am aware that I must declare and manage any personal interests. I agree to review all relevant Registers regularly to ensure that all entries relating to me are accurate. I understand that, if I am found to have breached this Code of Conduct, action will be taken by the Governing Body which could result in my removal.

Signed \_\_\_\_\_

Date \_\_\_\_\_

## Declaring and Managing Personal Interests

### 1. Introduction

- 1.1 Being a member of our Governing Body is of course only one part of your life. Other aspects of your life - such as family, friends and neighbours, voluntary work, causes you support, possibly business or financial interests, possibly your own housing arrangements - may have the potential to cross over into your role as a Governing Body Member.
- 1.2 However, as we are an organisation that works for the community [and uses public funds], it is essential that there is no conflict - and that there can be no reasonable perception of conflict - between your duties as a Governing Body Member and your personal (or personal business or financial) interests.
- 1.3 Any potential conflict between your position as a member of Governing Body and your other interests must be openly declared and effectively managed so as to protect the good reputation of [BHA] and the RSL sector.
- 1.4 Where you have a personal business or financial interest in any matter that is relevant to our activities or is being considered (or is likely to be considered) or you know that someone to whom you are closely connected has such an interest, you must declare it promptly and record it in the Register of Interests.
- 1.5 This Appendix gives further guidance on how to declare and manage any personal (including personal business or financial) interests.

### 2. Examples of interests that must be declared

- 2.1 The following are examples of the kind of interest that you must declare. Please note that this list is not exhaustive, and there may be other interests that you should also declare.
  - Tenancy of a property (by you or someone to whom you are closely connected) of which we are the landlord.
  - Occupancy or ownership of a property (by you or someone to whom you are closely connected) which is factored or receives property related services from us.
  - Receipt of care or support services from us.

- Membership of a community or other voluntary organisation that is active in the area(s) we serve.
  - Voluntary work with another RSL or with an organisation that does, or is likely to do, business with us.
  - Membership of the governing body of another RSL.
  - Being an elected member of any local authority where we are active.
  - If you purchase goods or services from us.
  - If you purchase goods or services from one of our contractors or suppliers..
  - Significant shareholding in a company that we do business with.
  - Membership of a political, campaigning or other body whose interests and/or activities may affect our work or activities.
  - Ownership of land or property in our areas of operation excluding for the purpose of your own residential use (i.e. there is no requirement for you to declare any house in which you currently live).
  - Unresolved dispute relating to the provision of services in connection with a tenancy or occupancy agreement or a contractual dispute over the provision of goods or services with us.
- 2.2 If you are not sure whether a certain matter needs to be declared, you must seek guidance from the Chair or CEO. If doubt remains, the advice would always to declare the matter.
- 2.3 You should note that in some circumstances, declaration of an interest may not be sufficient, and that it may be necessary for the organisation to take additional measures to deal satisfactorily with the situation so as to protect the probity and reputations of both yourself and the organisation.
- 3. Definition of 'close connection'**
- 3.1 Someone 'closely connected' to you includes family members and persons who might reasonably be regarded as similar to family members even where there is no relationship by birth or law.
- 3.2 As well as considering your own actions, you must be aware of the potential risk created by the actions of people to whom you are closely

connected. Who you should consider, and our expectations of you to identify and declare such actions are outlined in Table A on page 14.

**Table A**

<b>Group</b>	<b>Required Response</b>
<p><b>1. Members of your household</b></p> <p>This includes:</p> <ul style="list-style-type: none"> <li>• Anyone who normally lives as part of your household (whether related to you or otherwise)</li> <li>• Those who are part of your household but work or study away from home</li> </ul>	<p>We expect you to be aware of and declare any relevant actions of all people in your household. You must take steps to identify, declare and manage these.</p>
<p><b>2. Partner, Relatives and friends</b></p> <p>This includes:</p> <ul style="list-style-type: none"> <li>• Your partner (if not part of household)</li> <li>• Your relatives and their partners</li> <li>• Your partner's close relatives (i.e. parent, child, brother or sister)</li> <li>• Your close friends</li> <li>• Anyone you are dependent upon or who is dependent upon you</li> <li>• Acquaintances (such as neighbours, someone you know socially or business contacts/associates)</li> </ul>	<p>Where you have a close connection and are in regular contact with anyone within this group, we expect you to be aware of and declare any relevant actions. Under these circumstances, you must take steps to identify, declare and manage these actions.</p> <p>Where you do not have a close connection and regular contact with someone in this group, we do not expect you to be aware of or to go to unreasonable lengths to identify any relevant actions. However, if you happen to become aware of relevant actions by such individuals, then these should be declared and managed as soon as possible.</p>

## What You Need To Consider

- 3.3 The following are the relevant actions /involvement by those to whom you are closely connected that you should consider, declare and manage as per our expectations outlined in Table A:
- A significant interest in a company or supplier that we do business with. A significant interest means ownership (whole or part) or a substantial shareholding in a business that distributes profits, but does not include where an individual has shares in large companies such as banks, utility companies or national corporations, i.e. where owning shares would not give the individual any significant influence over the activities of that organisation.
  - Where the individual may benefit financially from a company with which we do business
  - Involvement in the management of any company or supplier with which we do business
  - Involvement in tendering for or the management of any contract for the provision of goods or services to us.
  - Application for employment with us.
  - Application to join our Board or any of its subsidiaries
  - Application to be a tenant or service user of the organisation
  - If they are an existing tenant or service user of the organisation

## 4. Practical Arrangements for Declaring personal interests

- 4.1 . *A Governing Body Member would be required, on appointment, to complete a form to register any personal interests that could potentially conflict with their role and thereafter to complete a new form (or amend the existing form) whenever there is a material change.]*
- 4.2 You must keep your entry in the Register of Interests up to date, add any new interests as soon as they arise, and amend existing interests as soon as any change takes effect.
- 4.3 A situation may arise where you are invited to be present at a meeting where a matter in which you have a personal (or a personal business or financial) interest is discussed. In such cases you must inform the meeting chair at the start of the meeting, or as soon as you become aware that this is the case. You would then be required to leave the meeting for the duration of the particular item. If in any doubt, you should ask the meeting chair or another senior person present for guidance. This applies to all meetings that you attend as a member of our Governing Body – both internal and external.
- 4.5 Any failure to make a complete, accurate and prompt declaration - whether deliberately or through taking insufficient care - will be regarded as a breach of this Code.





## Appendix 2:

### Protocol for Dealing with a Breach of the Code of Conduct

- 1.1** This procedure sets out the arrangements that will normally apply to potential breaches of the Code of Conduct, which are defined as follows:
- (a) Breaches of the Code of Conduct (the Code) that occur during a meeting and involve a member being obstructive, offensive or disregarding the authority of the Chair
  - (b) Other complaints about the conduct of a Member of the Governing Body
  - (c) Information that suggests that there may have been a breach of the Code by a member of the Governing Body.
- 1.2** The Chair has delegated authority to deal with potential breaches of the Code, subject to Clause A.4 below. The Chair has delegated authority, in consultation with other office-bearers, to instruct, progress and conclude investigations carried out in accordance with this protocol.
- 1.3** A breach of the Code is a Notifiable Event, The Chair is responsible for ensuring that the necessary notifications are made to the Scottish Housing Regulator as soon as any breach comes to light, and that the SHR's requirements (as set out in the relevant guidance<sup>8</sup>) in terms of reporting the outcome of the investigation are met.

### Conduct at meetings

- 2.1** Alleged breaches that occur during the course of a meeting (and which have not happened before) will normally be dealt with by the Chair or sub-committee Convenor, either during the meeting and/or within 24 hours of the meeting. In these circumstances, the Chair may ask the member to leave the meeting or a vote may be taken to exclude the member from the rest of the meeting. After the meeting, the Chair or sub-committee Convenor will discuss such behaviour with the member and may require the member to apologise or take such other action as may be appropriate. Where the Chair regards such behaviour as being very serious, it may also be investigated subsequently in accordance with the terms of this protocol, as will repeated incidents of a similar nature.

### Other Complaints

- 3.1** It is recognised that potential breaches of the Code of Conduct may occur beyond (BHA's) premises (e.g. whilst a Governing Body member is at an external meeting, attending a training event or conference or otherwise representing us, or whilst engaging in social

---

<sup>8</sup> Scottish Housing Regulator, Feb 2016.

networking). Potential breaches may also involve inappropriate conduct in relation to colleagues, staff or service users. Potential breaches may also involve failure to follow the requirements of an approved policy.

- 3.2** A potential breach of the Code, including repeated instances of poor conduct at meetings, will normally be the subject of an investigation, which will be managed by the Chair.
- 3.3** Not all potential breaches will be the subject of complaints or allegations. Where they are, they do not have to be made in writing but the Chair and Secretary/Senior Officer should ensure that there is always a written statement of the complaint or allegation that is used as the basis for the investigation.
- 3.4** In the event that an allegation is made anonymously, it will be investigated as thoroughly as possible, although it is recognised that it may not be possible to conclude any such investigation satisfactorily.

### **Investigation of a potential breach**

- 4.1** Allegations of a breach should normally be made to the Chair or, where the complaint relates to the Chair, to another office-bearer. The Chair or office-bearer, in consultation with the other office-bearers, will decide whether to instruct an independent investigation or whether to carry out an internal investigation. No one who has any involvement in the complaint or the circumstances surrounding it will play any part in the investigation.
- 4.2** A potential breach of the Code of Conduct (other than that which is being dealt with as described at A.4) will be notified to the Governing Body by the Secretary within seven working days either of occurring or of receipt of the complaint. The notice will include a report on the proposed arrangements for investigation (but will not describe the detail of the complaint) and a recommendation of a suitable person to carry out the investigation. This recommendation should be made by the Chair who may seek advice from our solicitors.
- 4.3** All investigations will be objective and impartial. A potential breach of the Code of Conduct will normally be investigated by an independent person, unless it is decided that an internal investigation is appropriate (as set out at A9).
- 4.4** An internal investigation will be carried out by three Members of the Governing Body, not including the Chair, who will make a report and recommendations to the Governing Body. They will be supported in the conduct of the investigation by the Senior Officer.
- 4.5** Where the potential breach relates to the Chair or other office bearer,

an independent investigation will always be carried out.

- 4.6** An independent investigation will normally be overseen by the Chair and one other office bearer, with support from the Senior Officer. In the event that the alleged breach relates to the Chair, one of the other office-bearers will act to fulfil the responsibilities ascribed to the Chair
- 4.7** The Chair and other office-bearer, with any support they feel necessary, will brief the agreed advisor/investigator and then consider their recommendations at the end of the investigation, before reporting to the Governing Body. BHA should always provide the investigator with a written brief that sets out the nature of the complaint and of the investigation to be carried out, as well as a timescale for completion and reporting. The brief may refer to any action previously taken that is relevant. Investigations should not usually take more than six weeks to conclude. The advisor/investigator will normally present their report to the Governing Body.
- 4.8** Any investigation of a potential breach should be notified to the individual concerned within seven days of the decision to investigate. The Governing Body Member must be notified in writing of the nature of the complaint and the arrangements proposed for investigation.
- 4.9** The Governing Body Member whose conduct is being investigated will not be party to any of the discussions relating to the investigation. Any Governing Body Member who is the subject of a complaint is expected to co-operate with any investigation carried out. The Governing Body should agree to grant leave of absence to a member who is the subject of a complaint whilst an investigation is carried out.
- 4.10** A meeting of the Governing Body will be held to consider the report and recommendations from the investigation and to determine what action should be taken against any individual who is found to have been in breach of the Code.
- 4.11** The Governing Body will report the findings of the investigation and the proposed action to the member concerned within seven days of the meeting at which the report of the investigation was considered.
- 4.12** Where, following an investigation, it is concluded that a serious breach has occurred, the Governing Body may require the member to stand down from their position in accordance with the Rules.
- 4.13** If the Governing Body proposes to remove a member, following investigation, the member will have the right to address the full Governing Body before their decision is taken at a special meeting called for that purpose. Any such decision must be approved by a majority (two thirds) of the remaining members of the Governing Body,

---

<sup>9</sup> In the 2013 Model Rules, a majority of the remaining members must agree to the removal of a member but, in some earlier versions of the Rules, the requirement is for two-thirds of the remaining members to agree.

### Action to Deal with a Breach

**4.14** If, following investigation, a breach of the Code is confirmed, action will be taken in response. This action will reflect the seriousness of the circumstances. It may take the form of some or all of the following:

- an informal discussion with the member concerned
- advice and assistance on how his or her conduct can be improved
- the offer of training or other form of support
- a formal censure
- a vote to remove the Member from the Governing Body

**4.15** The outcome of any investigation will be notified to the Scottish Housing Regulator.

### Definitions

**4.16** (BHA) will regard the following actions as a “serious breach” of the Code of Conduct (this list is not exhaustive):

- Failure to act in our best interests and/or acting in a way that undermines or conflicts with the purposes for which we operate.
- Support for, or participation in, any initiative, activity or campaign which directly or indirectly undermines or prejudices our interests or those of our service users, or our contractual obligations.
- Accepting a bribe or inducement from a third party designed to influence the decisions we make.
- Consistent or serious failure to observe the terms of the Code of Conduct.

### Approval and Review

**4.17** This protocol was approved by the Governing Body of (BHA) 26 September 2017. It will be reviewed immediately following its implementation to deal with a potential breach or not later than September 2020, whichever is the earlier.