

# CONTROL OF PAYMENTS & BENEFITS POLICY

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## **1. POLICY PURPOSE**

This Policy is aimed at:

- **Committee Members** of Milnbank Housing Association (**MHA**) and
- **Board Members** of our subsidiaries Milnbank Community Enterprises (**MCE**) and Milnbank Property Services (**MPS**) and
- **Employees** of MHA, MCE and MPS.

The Policy describes all of those affected as “**our people**” and “**you**”. The Policy describes how MHA, MCE and MPS will manage payments and benefits (**P&B**) to our people and, in certain circumstances, to people closely connected to them. The definition of “**closely connected**” is detailed in [Appendix 1](#).

Any person who is affected by this policy is personally responsible for ensuring that they are familiar with, and comply with, its terms.

## **2. LEGAL & REGULATORY FRAMEWORK**

MHA is a registered social landlord (**RSL**) and a Scottish charity as well as a community benefit society. We are part of a sector that has a strong reputation for integrity and accountability: to the people we exist to help, our regulators, partners and funders. We must ensure that we uphold our reputation and that of the sector. Our people cannot benefit inappropriately from their connection to us.

This Policy is a requirement of MHA’s Rules. MHA must make sure that our Committee Members, as charity trustees, only receive P&Bs where the law allows this, and we must have regard to any guidance on payments and benefits to trustees or those closely connected to them that is published by the Office of the Scottish Charity Regulator (**OSCR**).

We must also comply with the Regulatory Standards and Guidance issued by the Scottish Housing Regulator (**SHR**). These place us under an obligation to:

- Conduct our affairs with honesty and integrity, upholding our own good reputation and that of the housing sector.
- Ensure that our people are open in declaring and managing interests, and that they do not benefit improperly from their position.

To meet all of these requirements, this Policy sets out our rules for any P&B we may make to our people or those closely connected to them. This reflects MHA’s wish to have a rigorous framework that will help protect our reputation and that of our Committee and Board Members.

### 3. **POLICY STATEMENT**

#### **Principles**

- MHA and our subsidiaries will act with transparency, honesty and propriety and avoid any public perception of improper conduct.
- Committee Members, Board Members, and staff members must not benefit improperly or inappropriately from their position within MHA, MCE or MPS.
- Our people and those closely connected to them should not receive any preferential treatment, in the services we or our contractors and suppliers provide. Equally, they should not be unfairly disadvantaged if they are seeking to use our services.
- This Policy does not affect any statutory or contractual entitlements that our people and those closely connected to them may have.
- Our people must never offer, seek or accept bribes and must comply with our Bribery Prevention Policy at all times.

We expect our people to act in good faith and in return MHA will apply a common-sense approach to the application of the Policy. If anyone is unsure about anything in the Policy, the Chair or the Directorate should be consulted.

The Management Committee (**MC**) will have authority to consider and approve (if appropriate) P&Bs that are not addressed explicitly in this Policy. They will only approve a payment or benefit if the policy principles set out above are met and there is no conflict with any relevant legislation or statutory guidance. MCE and MPS Boards must refer any such cases to the MC for prior approval, if they wish to approve a payment or benefit that is not expressly allowed under this Policy.

This Policy covers:

- Managing your interests:
  - (a) Registering and declaring interests
  - (b) Payments and benefits – including:
    - entitlements, payments and benefits that our people are able to receive and
    - what is not permitted and
    - our arrangements to ensure that the requirements of this policy are observed.
- People connected to you:
  - (a) Who you should consider when recording / declaring interests
  - (b) What you should consider
- Use of our contractors / suppliers by our people

## **4. REGISTERING & DECLARING INTERESTS & ACTIONS**

### **Register of Interests**

MHA maintains a Register of Interests that is used to record any interests you or people closely connected to you have that are relevant to our business or our decisions. This is done in accordance with GDPR.

All of our people must maintain the accuracy of their entry in the Register of Interests on an ongoing basis, and will be asked annually to confirm that their entry is accurate and up to date.

### **Declaring Interests**

Where you have an interest in any matter that is being discussed or considered, including at a meeting, you must declare your interest and play no part in the consideration, discussion and decision-making; you must withdraw from any part of a meeting where your interest arises and play no part in the discussion.

The MHA Rules require that any MC member who has an interest in a matter that is being considered withdraws from all discussions and plays no part in decision-making.

The Codes of Conduct which our MC members, Board Members and staff are required to uphold contain requirements about Declaring Interests that you should comply with at all times.

### **Examples**

You should always record an interest and make a declaration if you, or a person closely connected to you:

- Are an MHA tenant or a service user of MHA, MCE or MPS
- Have applied for rehousing from MHA or the services of MCE or MPS
- Are employed by, or have made an application for employment with MHA, MCE or MPS
- Are a principal proprietor/shareholder or senior manager of a company (or other organisation) that MHA, MCE or MPS does business with, or that is on our approved list (this includes nominated sub-contractors)
- Are, or could become, involved in tendering for or the management of any contract for the provision of works, goods or services to us
- Are involved in running, or are an active member of, either (a) a community or other voluntary organisation that is active in the area we serve or (b) any other body whose interests and/or activities may directly affect our work or activities
- Are on the governing body of another RSL
- Are an elected member of Glasgow City Council (the local authority for our area)
- Own land or property in our area of operation (although you do not need to record or declare the house in which you live)
- Purchase goods or services from one of our contractors
- Have a significant shareholding in a company that we do business with (or are considering doing business with).

The above are only examples, and other interests may also require to be recorded and, when appropriate, declared.

In deciding which interests you should record and declare (as appropriate), we ask you to do this from the point of view of a reasonable and objective observer and to adopt a common sense approach.

- We do expect you to be familiar with the actions of members of your household and of people with whom you are in close or regular contact.
- We recognise that you may not always be in close or regular contact with some family members or others in the definition of “closely connected”.
- We do not expect you to go to unreasonable lengths to identify the actions or involvement of others, or to conduct research into the employment, business interests and other activities of all persons to whom you are closely connected.

## **5. PAYMENTS & BENEFITS COVERED BY THIS POLICY**

Appendix 2 sets out our rules for the following categories of payments and benefits:

- 1) Committee membership, payment of expenses and attendance at training and other events
- 2) Staff recruitment and HR management
- 3) Gifts and Hospitality
- 4) Granting of tenancies
- 5) Matters relating to a tenancy or other service agreement
- 6) Sale, purchase or leasing of land or property
- 7) Procurement and contracts with businesses trading for profit

## **6. FORMAL CONTROLS ON PAYMENTS & BENEFITS**

Some of the interests you declare or that we identify may relate to a potential P&B. (E.g. receiving a house or applying for a job).

As one of our people, you potentially could be offered benefits over and above that to which you are entitled (as a result of policy or contractual terms), such as gifts or hospitality from external parties. Such offers would be as a direct result of you being one of our people and cannot always be accepted. We require that any such offers are managed and recorded very carefully to ensure the highest levels of probity in our organisation. Our people should not benefit – or be seen to benefit – inappropriately from their involvement with us.

Apart from payments that our people are entitled to by contract, statute, policy or other agreement (e.g. salary, expenses), we will only make a payment to, or accept a payment from, someone affected by this policy in exceptional circumstances. Appendix 2 explains the payments we can and cannot make in more detail. Some entitlements, payments and benefits we can never permit, and for others we have additional requirements or conditions that must be met before we can permit them.

We will apply the formal controls described in [Appendix 2](#), to decide whether we can approve a payment or benefit or not and, in either case, to make sure things are managed appropriately. These controls include:

- Deciding whether or not to permit the potential payment or benefit;
- Making sure you do not play any part in our decision-making processes;
- Following double scrutiny, obtaining Committee approval for the proposed P&B;
- Recording any decision (approval or otherwise) in the Register of Payments and Benefits;
- Any other further requirements as set out in [Appendix 2](#).

The formal controls apply where the potential beneficiary of a P&B is a Committee, Board Member or employee within MHA or MCE & MPS, or a person closely connected to a Committee, Board Member or employee. The people we regard as closely connected for this purpose are set out in detail in [Appendix 1](#).

## **7. PRIVATE USE OF MHA'S CONTRACTORS & SUPPLIERS**

You should not normally use any of our contractors or suppliers for personal purposes, other than as described at [Appendix 3](#). If you think that using any of our other contractors, suppliers etc. is unavoidable, you must follow the procedures at [Appendix 3](#) to obtain MHA approval.

## **8. REGISTERS, POLICY IMPLEMENTATION & COMPLIANCE**

We maintain the following registers, as referred to in this Policy:

1. a **Register of Interests**, to record the interests of you, and people closely connected to you, that are relevant to our business or our decisions.
2. a **Register of Payments and Benefits** to record all cases where MHA, MCE or MPS have approved (or otherwise considered) a P&B under this Policy.
3. a **Register of Gifts & Hospitality** as further detailed in the separate Policy on Gifts, Hospitality and Donations.

The information to be recorded in each register is as noted in [Appendix 5](#).

We will not use the Register of P&Bs for employment matters (these will be recorded instead in personnel files), repairs or other legal entitlements that may occur after a tenancy has been approved and recorded in the Register.

The MC will be responsible for approvals, where necessary. If a matter concerns both MHA and MCE or MPS (e.g. a Board Member is seeking to be rehoused by MHA), the MC will decide the matter. If a matter relates wholly to MCE or MPS (e.g. purchase of goods or services by the subsidiary), the subsidiary Board will decide the matter and report it to the MC.

An annual report on the items recorded in the Registers will be submitted to the MC.

## **9. BREACHES OF THE POLICY**

Breaches of the Policy shall be treated as a breach of the Codes of Conduct and must therefore be reported to the MC. In the case of MC or MCE/MPS Board Members, MHA will follow the procedures set out in the Code of Conduct to investigate alleged breaches or related policies and procedures. Alleged breaches by staff will be dealt with using MHA's disciplinary procedures.

## **10. POLICY REVIEW**

MHA will review this Policy and its procedures for compliance annually as part of the Code of Governance Review. We will also review the policy and procedures in response to any breaches that occur, to incorporate any lessons learned and to minimise the risks of any recurrence.

**APPENDIX 1:  
Further definition of key terms used in this policy**

In this Policy, **closely connected** people, institutions and bodies corporate are defined as set out below.

<b>Members of your household</b>	<b>Partner, Relatives and Friends</b>
<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>	<ul style="list-style-type: none"> <li>• Your partner (if not part of your household)</li> <li>• Your <b>Close Relatives</b> and their partners (see below)</li> <li>• Your partner’s <b>Close Relatives</b> (again, see below)</li> <li>• Your close friends</li> <li>• Anyone you are dependent upon or who is dependent upon you</li> </ul>

In MHA’s Rules, and for the purposes of this Policy:

89.4 “**Close Relative**” means someone who is:

- a) the spouse or civil partner of a person, or (being either of the same or different sex) who cohabits with that person, or
- b) that person’s parent, grandparent, child, stepchild, grandchild, brother or sister, or any spouses, civil partners or cohabittees of these relatives.

An institution or body corporate is **connected** to a person (an individual, institution or body) if:

- (a) It is an institution **controlled**, directly or through nominee(s), by that person – that is, where that person is able to secure that the affairs of the institution are conducted in accordance with their wishes; or
- (b) It is a body corporate in which a **substantial interest** is held by that person – that is, where that person:
  - Holds equity shares of a nominal value of more than one-fifth (more than 20%) of the share capital of that corporate body; or
  - Is entitled, directly or through nominee(s), to exercise or control the exercise of more than one-fifth (more than 20%) of the voting power at a general meeting of the body corporate.

## **APPENDIX 2: FORMAL CONTROLS ON PAYMENTS AND BENEFITS**

### ***Committee membership, payment of expenses and attendance at training and other events***

	<b>DECISION OR ACTIVITY</b>	<b>PERMITTED</b>	<b>GUIDANCE/PROCEDURES</b>
<b>1</b>	<b>Nomination to <u>join the MC</u> from someone who is closely connected to a serving MC member</b>	Yes	This is permitted under MHA's Rules, declare the relationship in the Register of Interests.
<b>2</b>	<b>Nomination to <u>join the MC</u> from an employee of MHA</b>	No	This is <b>not</b> permitted in MHA's Rules.
<b>3</b>	<b>Nomination to <u>join the MC</u> from someone who is closely connected to an employee of MHA</b>	Yes (but only in limited circumstances)	Appendix 4 sets out a Protocol which will be followed where a prospective MC member is closely connected to an employee of MHA.
<b>4</b>	<b>Nomination to join the <u>Board of MCE / MPS</u> from someone who is an MCE / MPS employee, or is closely connected to either a serving Board member, or to an employee of MCE / MPS</b>	Yes (subject to conditions)	Any nomination to join the Board of MCE / MPS must comply with the appointment requirements and meet the appointment criteria set out in the relevant MCE / MPS Articles of Association.
<b>5</b>	<b>Payment of out of pocket <u>expenses</u></b>	Yes	<ul style="list-style-type: none"> <li>• Claims must be in accordance with the Expenses Policy.</li> <li>• Expenses do not need to be declared in the Register of P&amp;Bs</li> </ul>
<b>6</b>	<b>Payment for service as a <u>MC member</u> or as a Board member</b>	No	<ul style="list-style-type: none"> <li>• Our policy is <u>not</u> to pay MC members, or Board members, for their service as MC members / Board members (other than out of pocket expenses)</li> </ul>
<b>7</b>	<b><u>Attendance</u> by MC, Board members, and/or staff members at <u>training events, conferences, seminars, openings/similar</u></b>	Yes	<ul style="list-style-type: none"> <li>• Attendance must be approved by the MC in advance</li> <li>• Attendance will be recorded in the relevant individual training plan.</li> <li>• We will pay the costs of the event package including travel and accommodation if not part of the package.</li> <li>• No requirement to declare in the Register of P&amp;Bs</li> </ul>

	<b>DECISION OR ACTIVITY</b>	<b>PERMITTED</b>	<b>GUIDANCE/PROCEDURES</b>
	<b>events hosted by other Housing Associations</b>		
<b>8</b>	<b><u>Attendance at events by MC, Board members, and/or staff members to mark awards, achievements or other significant milestones relevant to our business</u></b>	Yes (subject to conditions)	<p>MC must approve prior to attendance and will only approve if:</p> <ul style="list-style-type: none"> <li>• MHA, MCE, MPS, or one of our people, has been nominated for an award, or</li> <li>• Attendance is in recognition of achievement or in pursuit of appropriate business development, or</li> <li>• We can show the event is directly relevant to our business objectives.</li> </ul> <p>Total costs must be reasonable and proportionate, as determined:</p> <ul style="list-style-type: none"> <li>• Costs up to £500: by the Chairperson and the Director or</li> <li>• Costs over £500: the MC will require a clear, viable business case for attending.</li> </ul> <p>We will make all necessary arrangements in advance (e.g. travel, accommodation, costs of event) on behalf of those attending. Costs for each attendee shall be recorded in the P&amp;Bs Register.</p>
<b>9</b>	<b>Provision of a <u>loan</u> by MHA to one of our people</b>	No	This is not permitted unless allowed for in the contractual terms of employment. MHA cannot make any other loans to individuals.

1) Staff recruitment and HR management

	<b>DECISION OR ACTIVITY</b>	<b>PERMITTED</b>	<b>GUIDANCE/PROCEDURES</b>
<b>10</b>	<b>Making an <u>offer of employment</u> (temporary or permanent) to someone who is closely connected to an existing employee of MHA, MCE or MPS</b>	Yes	<p>Permitted as long as:</p> <ul style="list-style-type: none"> <li>• There has been an open recruitment exercise in accordance with our policy and nobody closely connected to the job applicant has played any part in the recruitment and selection process.</li> <li>• The offer of employment is approved by the MC.</li> </ul>

			<ul style="list-style-type: none"> <li>There will be no direct or indirect line management or supervision responsibility between people who are closely connected to each other</li> </ul> <p>The offer of employment is recorded in the Register of P&amp;Bs, following its acceptance.</p>
<b>11</b>	<b>Existing staff: <u>approval of re-grading, promotions and contract enhancements specific to an individual staff member</u></b>	Yes	<p>Permitted as long as:</p> <ul style="list-style-type: none"> <li>Proposed decision is based on an objective assessment; and the proposed arrangement is approved by the MC.</li> </ul>
<b>12</b>	<b>All <u>entitlements</u> arising from a <u>contract of employment with us or one of our subsidiaries</u></b>	Yes	<ul style="list-style-type: none"> <li>Any entitlement in terms of contract and agreed remuneration package is always permitted without the need to record.</li> <li>Our terms, conditions of employment &amp; associated HR policies shall be regarded as part of the employment contract for the purposes of this Policy.</li> </ul>
<b>13</b>	<b><u>Redundancy or Voluntary severance payment to an employee</u></b>	Yes	<p>We can make redundancy payments to an employee in line with their contract of employment or the relevant statutory provisions.</p> <p>We can also make a voluntary severance payment which is outside the terms of the contract of employment provided it is in accordance with the Staff Severance Policy.</p>
<b>14</b>	<b>Making an offer of employment or contract for the provision of services (e.g. specialist advice) to someone who is, or who has been in the last 12 months, a MC member</b>	No	<ul style="list-style-type: none"> <li>MC members cannot be employees, in terms of MHA's Rules</li> <li>Our policy is not to contract for services direct from individual MC members.</li> </ul>
<b>15</b>	<b>Making an <u>offer of employment to someone who has previously received a voluntary</u></b>	No	<p>See the Staff Severance Policy for further details.</p>

	<b><u>severance payment from us, if enhanced non-contractual terms were applied to a leaving package.</u></b>		
<b>16</b>	<b><u>Making an offer of employment to someone who is closely connected to a current MC member</u></b>	Yes (but only in limited circumstances)	Appendix 4 sets out a Protocol which will be followed where a prospective employee may be closely connected to a current MC member.
<b>17</b>	<b><u>Making an offer of employment to someone who is closely connected to a current Board member</u></b>	Yes (but only in limited circumstances)	Appendix 4 sets out a Protocol which will be followed where a prospective employee may be closely connected to a current Board member, as if that Board member were an MC member.
<b>18</b>	<b><u>Appointment of a staff member to the MC</u></b>	No	This is not permitted in terms of MHA's Rules.

## 2) Gifts and Hospitality

	<b>DECISION OR ACTIVITY</b>	<b>PERMITTED</b>	<b>GUIDANCE/PROCEDURES</b>
<b>19</b>	<b><u>Acceptance of gifts and hospitality</u></b>	Yes, in some circumstances	Our Policy on Gifts, Hospitality and Donations sets out the limits and procedures that apply to accepting gifts and hospitality & when they must be recorded in the Register of Gifts & Hospitality.

## 3) Granting of tenancies

	<b>DECISION OR ACTIVITY</b>	<b>PERMITTED</b>	<b>GUIDANCE/PROCEDURES</b>
<b>20</b>	<b><u>The granting of a tenancy or lease in a MHA property to one of our people or to someone closely connected to them</u></b>	Yes	Permitted as long as: <ul style="list-style-type: none"> <li>• The decision is in accordance with MHA Allocations Policy.</li> <li>• Neither the applicant nor anyone closely connected to them is involved in any way or in any part of the allocation process.</li> <li>• Granting of the tenancy is approved in advance by the MC.</li> <li>• It is recorded in the Register of P&amp;Bs.</li> </ul>

4) Matters relating to a tenancy or other service agreement

	DECISION OR ACTIVITY	PERMITTED	GUIDANCE/PROCEDURES
21	Where one of our people (or someone closely connected to them) is a <u>tenant</u> and receives a <u>repair, improvement or adaptation</u> to their home	Yes	<ul style="list-style-type: none"> <li>• <u>Repairs</u> to our properties in accordance with MHA (private &amp; common factoring) policy do not need to be declared or recorded in the Register.</li> <li>• <u>Adaptations</u> must comply with MHA policy; be approved by a senior manager; and be recorded in Register of P&amp;Bs. MC approval is not required.</li> <li>• <u>Improvements</u> must be carried out as part of an approved programme and/or in accordance with our policy. MC approval is not required in such cases. <ul style="list-style-type: none"> <li>○ If not part of an approved programme, improvement works must be approved by a senior manager and included in the Register of P&amp;Bs.</li> </ul> </li> <li>• If a MC or staff member has a personal interest in improvement works to be discussed at a meeting, they must declare their interest in the works.</li> </ul>
22	Where one of our people (or someone closely connected to them) is a <u>tenant</u> & receives a <u>decoration allowance</u> or <u>other discretionary payment</u> relating to their <u>tenancy</u> or other tenant reward/incentive as part of an agreed scheme or prize	Yes	<p>Any <b>decoration allowance, other discretionary payment or incentive/reward payment</b> must be made in accordance with MHA policies and procedures; approved by a senior manager, and recorded in the Register of P&amp;Bs. MC approval is not required.</p> <p><b>Prizes or awards</b> in competitions open to all tenants in the same community (e.g. garden competitions) can only be given if the selection process for giving the award/prize has been carried out by someone who is independent. Receipt of the award and the circumstances surrounding it must be recorded in the register within five days of receipt.</p>

5) Sale, purchase or leasing of land or property

	DECISION OR ACTIVITY	PERMITTED	GUIDANCE/PROCEDURES
23	<b>Disposal of our interest (in whole or in part) in a property to a MC member, Board member, employee or someone closely connected to any such person via LIFT, Home Buy; Help to Buy or other LCHO scheme; or via leasing of a commercial property</b>	Yes	<p>This is permitted, provided:</p> <ul style="list-style-type: none"> <li>• The disposal must not be on terms that are more favourable than those available to other purchasers/lessees</li> <li>• Our policy and procedures are followed, including the requirement to set selling prices with reference to an independent valuation</li> <li>• The prospective purchaser or lessee or anyone closely connected to them plays no part in our approval or processing of the transaction</li> <li>• The disposal shall be approved by the MC, which will assess carefully any proposed disposals to MC or staff members, to ensure that they do not create any reputational risks for MHA.</li> </ul> <p>The disposal shall be recorded in the Register of Payments and Benefits, with full details recorded in the relevant files for audit purposes</p>
24	<b>Any other sale of MHA property to one of our people or someone closely connected to them</b>	No	This is not permitted.
25	<b>The purchase of land or other assets from anyone who is, or who has been in the last twelve months, one of our people; or from a person who is closely connected to one of our people</b>	No (in almost all cases)	<p>This is generally not allowed but we may make exceptions for:</p> <ul style="list-style-type: none"> <li>• Property owners unable to afford improvement/repair works that are part of a recognised MHA programme (E.g. the GCC funded Property Acquisition Programme)</li> <li>• Referrals to us under the Scottish Government’s Mortgage to Rent scheme.</li> </ul> <p>In these circumstances, purchase would be permitted provided:</p> <ul style="list-style-type: none"> <li>• There is a clear strategic rationale for the purchase, and our procedures for property purchase are followed</li> <li>• The prospective seller (or the person closely connected to them) plays no part in our decision to buy the property or in the processing of the transaction by MHA.</li> </ul>

			The transaction is approved by the MC and recorded in the Register of P&Bs, and details of the process followed are recorded in the relevant files.
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6) Procurement and contracts with businesses trading for profit

	DECISION OR ACTIVITY	PERMITTED	GUIDANCE/PROCEDURES
26	<b>The purchase of goods/services from our suppliers/contractors by one of our people, for private purposes</b>	No (in almost all cases)	<ul style="list-style-type: none"> <li>This should normally be avoided, and will only be permitted if the procedure identified in Appendix 3 is followed</li> </ul>
27	<b>Entering into a contract with a <u>Relevant Business</u> (i.e. a business that is <u>controlled</u> by one of our people, or someone closely connected to them, is or in which they hold a <u>substantial interest</u> or are <u>directly involved in the management</u> of that business)</b> This includes cases where we have required the use of a specified third party (e.g. a nominated sub-contractor). MHA will apply the detailed definitions set out in <u>Appendix 1</u> for control and substantial interest etc.	No (in almost all cases)	<p>MHA, MCE and MPS should, ordinarily, not enter into a contract with a Relevant Business.</p> <p><b>Charity law requirement:</b> Where the Relevant Business in question is connected to a MC member or someone closely connected to them, then the Charity Law Restrictions (the 5 conditions on remuneration) set out in Appendix 4 <b>must</b> be complied with before we could enter into a contract with any such Relevant Business.</p> <p><b>Subject to the above charity law requirement,</b> we note that it may be appropriate to enter into a contract with a Relevant Business where all of the following criteria are met:</p> <ul style="list-style-type: none"> <li>The contract (or framework agreement, as the case may be) is awarded following: (i) the publication of a call for competition in Public Contracts Scotland/Find a Tender Service (or equivalent procurement portal); and (ii) the conduct of a competitive procurement exercise in accordance with the Public Contracts (Scotland) Regulations 2015, the Concession Contracts (Scotland) 2016, or the Procurement (Scotland) Regulations 2016.</li> </ul>

		<ul style="list-style-type: none"> <li>• Suitable ethical walls are implemented to ensure that the MC member, Board member, or employee affected by this policy does not have access to any information pertaining to the procurement process referred to above.</li> <li>• The MC approves the outcome of the procurement process referred to above and any related due diligence carried out prior to award.</li> <li>• The MC/board member or employee affected by this policy is not involved in any part of the procurement process or our decision and would not be involved in the management, supervision or renewal of any contract awarded for the duration of its term.</li> <li>• The appointment is recorded in the Register of Payments and Benefits and details of the process followed would be recorded in the relevant files for audit purposes.</li> </ul> <p><b>Again, subject to the above charity law requirement</b>, we note that the value of a proposed contract award may not necessitate publication of a call for competition nor compliance with the Public Contracts (Scotland) Regulations 2015, the Concession Contracts (Scotland) 2016, or the Procurement (Scotland) Regulations 2016. Where this is the case, all of the following criteria must be met before a contract can be awarded to a Relevant Business:</p> <ul style="list-style-type: none"> <li>• MHA issues a Request for Quote to no fewer than three service providers/suppliers/contractors (as the case may be).</li> <li>• There is no reasonable alternative available to us (e.g. because of the specialist nature of the goods/services).</li> <li>• The MC/board member or employee affected by this policy is not involved in any part of (i) the Request for Quote referred to above (ii) any discussion by the MC on the availability of reasonable alternatives</li> </ul>
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			<p>or (iii) the management, supervision or renewal of any contract awarded for the duration of its term.</p> <ul style="list-style-type: none"><li>• The appointment is recorded in the Register of Payments and Benefits and details of the process followed would be recorded in the relevant files for audit purposes.</li></ul>
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### **APPENDIX 3 – PRIVATE USE OF OUR CONTRACTORS & SUPPLIERS**

1. In order to help us maintain our excellent reputation, it is important that staff and committee members and Board members do not use their position to gain benefits which other members of the public cannot access.
2. At the same time we do not want to see staff, committee and Board members face unreasonable restrictions which put them at a disadvantage compared to other members of the public.
3. Where, in your personal/home life, you as a staff or committee or Board member need a service from a contractor, if it causes no disadvantage or inconvenience to you to avoid using one of our contractors then we would ask that such use is indeed avoided. But we do not want to unreasonably restrict your choice of contractor.
4. However, it is extremely important that, where you wish to use one of our contractors you take some particular steps which will help protect both you and the us.
5. A staff or committee or Board member should only utilise the services of one of our contractors (as listed in the Approved Contractors List below) for their own personal needs if:
  - The normal commercial rates are paid for this service and no preferential treatment, financial or otherwise, is received
  - You report your proposed course of action to your line manager or the Chair (as appropriate) before committing to using the contractor in question and follow any advice offered. In emergency situations you should comply with this policy retrospectively and as soon as is practicably possible.
  - You make a written declaration that you have not received any advantage or preferential treatment (financial or otherwise) from the contractor or supplier arising out of their connection to us: written quotes should be provided where these would normally be sought for the type of work in question, and in ALL cases receipts should be provided.
  - You record the transaction or agreement in the Register of Payments and Benefits and keep the entry up to date.
6. Examples of situations that might arise in this context include:
  - engaging the factoring service offered by the Association
  - the repairs service offered by the Association
  - buying goods or services from a connected business such as an architect

or building contractor.

7. The undernoted the Approved Contractors List lists the contractors to whom this policy applies. You will see that it does not include low value services such as sandwich shops, other high street stores and national chains, utility companies, banks and national telecoms providers etc. used by us. You may use such low value services or national chains without having to record or declare that use.
8. In the event of becoming involved in a dispute with the Association arising out of such a transaction or agreement, you must immediately notify the Chair and/or the Director and withdraw from any discussions relating to the service involved.
9. In the case of committee or Board members, if the dispute cannot be resolved through the normal complaints procedure and you remain dissatisfied, you should resign from the Management Committee or Board in order to pursue the complaint independently.

### **APPROVED CONTRACTORS LIST 2020**

Detailed below are those firms on the Approved Contractors List. This is as comprehensive as possible; the list notes the Firm and a brief description of the trade/work undertaken for us.

<b>Lot 1 - Multi Trades</b>	<b>Lot 2 - Joiner</b>
ARK Property Maintenance	ADR Property Maintenance
Atlas Maintenance (Scotland) Ltd	Allan Joiner & Builders
Bw Heating and plumbing Ltd	DS Joinery Ltd
David Mitchell Plastering & Building Ltd	Mark Allan Joinery
DCL Joinery and Contractor	R&G Glass & Glazing
P&D (Scotland)	York Joiners, Kitchens and Bathrooms
T K Murray Electrical Ltd	
Zenith SAS	
<b>Lot 3 - Electrician</b>	<b>Lot 4 - Plumbing</b>
A Brown Electrical	Bw heating and plumbing Ltd
City Electrical Company	David Mitchell Plastering & Building Ltd
Consilium Contracting Services Ltd	James Martin sole trader plumbing
Lochlie Construction Ltd	Scott Plumbing and Heating
Robertson Electrical Services	T K Murray Electrical Ltd
T K Murray Electrical Ltd	
<b>Lot 5 - Glazier</b>	<b>Lot 6 - Landscaping / Garden Maintenance</b>
Atlas Maintenance (Scotland) Ltd	Caley Construction Ltd
MM Glass & Glazing Ltd	James Warnock Ground Maintenance
R&G Glass & Glazing	John O'Connor Ground Services Ltd
	KCC Site Services Ltd
	Turf Tek Scotland
<b>Lot 7 - Lift Maintenance</b>	<b>Lot 8 - Fire Equipment Maintenance</b>
Orona Ltd	Consilium Contracting Services Ltd
Pickerings Europe Ltd	Erif UK Ltd
	Invincible Fire and Security Ltd
	Planned Fire Maintenance Ltd
<b>Lot 9 - Controlled Entry</b>	<b>Lot 10 - TV Aerial</b>
A Brown Electrical	Campbell & Kennedy
Consilium Contracting Services Ltd	Lochlie Construction Ltd
Lochlie Construction Ltd	SCI Communications Services Ltd
Sight Sound Security Systems	Sight Sound Security Systems
Sound Service	Sound Service
<b>Lot 11 - Drainage</b>	<b>Lot 12 - Stonework Pointing &amp; Repair</b>
Caley Construction Ltd	Advance Height Services Ltd
I&D CANT Ltd	Alan Baxter (Stone Restoration)
Probe Drainage Specialists Ltd	ARK Property Maintenance
Turf Tek Scotland	Atlas Maintenance (Scotland) Ltd
	Zenith SAS
<b>Lot 13 - Slater / Roofer</b>	<b>Lot 14 - Tiler</b>
Advance Height Services Ltd	Consilium Contracting Services Ltd
ARK Property Maintenance	Dennistoun Ceramics
Eagle Contracts Scotland Ltd	Lochlie Construction Ltd
K & G Roofing	O'Rourke Flooring

Lochlie Construction Ltd	
<b>Lot 15 - Plasterer</b>	<b>Lot 16 - Painter</b>
Consilium Contracting Services Ltd	Bell Decorating Group Ltd
Dennistoun Ceramics	J S McColl Painting Contractors Ltd
Jim Dunsmore Plasterer	M Scott
Steven Gough Painters & Decorators	PSI decorators
	Steven Gough Painters & Decorators
<b>Lot 17.1 - Asbestos Surveys, Testing &amp; Removal</b>	<b>Lot 17.2 - Blacksmith / Welder</b>
Enviraz Scotland Ltd	ARK Property Maintenance
Enviraz Surveys Ltd	Reid Wire Ltd
Reigart Contracts	
<b>Lot 17.3 - Cleaning; Communal Stairwells &amp; Windows</b>	<b>Lot 17.4 - Gutter Cleaning</b>
CAS Contract Cleaning Ltd	Advance Heigh Services Ltd
Cunning Services	ARK Property Maintenance
George Duncan	David Mitchell Plastering & Building Ltd
Hamilton Services	K & G Roofing
Paul McGuire	Zenith SAS
<b>Lot 17.5 - Stair Lighting</b>	<b>Lot 17.6 - Medical Adaptions</b>
City Electrical Company	ARK Property Maintenance
Consilium Contracting Services Ltd	Bw heating and plumbing Ltd
David Mitchell Plastering & Building Ltd	City Electrial Company
Lochlie Construction Ltd	DCL Joinery and Contractors
	Lochlie Construction Ltd
	P&D (Scotland)
<b>Lot 17.7 - Pest Control</b>	<b>Lot 17.8 - Roof Anchors</b>
allpest services (scotland) Ltd	Advance Height Services Ltd
Pestguard Services (Scotland) Ltd	David Mitchell Plastering & Buidling Ltd
	K & G Roofing
<b>Lot 17.9 - Veitchi Flooring</b>	<b>Lot 17.10 - Ventilation</b>
O'Rouke Flooring	The Ventilation Experts
<b>Lot 17.11 - Water Quality</b>	<b>Lot 17.12 - Waste Management</b>
	Cunning Services
	Hamiltion Services
<b>Lot 17.13 - Timber Preservation &amp; Damp Proofing</b>	<b>Lot 17.14 - Tree Surgery &amp; Arboricultural Consultancy</b>
Peter Cox Ltd	Erskine Tree Surgeons Ltd
Richardson & Starling	

## **APPENDIX 4: Protocol: MC Management Committee membership – further detailed requirements**

### **CONTEXT**

MHA's Rules provide:

- 37.4 An employee of the Association may not be a Committee Member. A Close Relative of an employee may only be a Committee Member where the Committee has satisfied itself that it is in the best interests of the Association and permitted by the Association's policies and any statutory or regulatory provisions relating to the appointment of someone related to an employee.

This Rule applies to all MC members whether they have been elected, appointed to a casual vacancy between annual general meetings, or co-opted (at any time).

The above Rule and this Protocol have been introduced by MHA for the following reasons:

- MHA is a key employer in the area in which it operates. As a community based Association MHA is keen to encourage membership to people living in that area. The MC members are drawn from that MHA membership. Many MHA employees are locally based and related to MHA members. If anyone connected to an MHA employee is excluded from MC membership this excludes a number of otherwise entirely appropriate candidates.
- However, it is also important to ensure that no employee / MC member relationship could lead to inappropriate actions (however inadvertent) on the part of either an employee or MC member. Therefore, a clear protocol is required.
- MHA is keen to expand recruitment options for the MC, and these measures are intended to offer not only some expansion, but also more equality and diversity, in recruitment to the MC.

MHA has developed this Protocol to clarify those, limited, circumstances in which relatives of employees may be Committee Members. The Protocol seeks to recognise the potential conflicts that can exist with the Governance of a community based charity where residents who are related could be either employees or MC Members of MHA.

The aim of the Protocol is to put in place appropriate safeguards that would allow people who are related to become voluntary committee members where they have a close family connection to an employee.

### **Key elements of the Protocol**

#### **Number of MC Members connected to an employee**

There will be a limit on the number of MC members who can be connected to an employee of MHA.

The intention is that no more than 20% of the MC members (to the nearest whole number) can have a Close Relative who is an employee of MHA. This will be checked at every annual general meeting (AGM), to ensure that immediately following each AGM, no more than 20% of the MC members have a Close Relative who is an employee of MHA. Therefore, this limit may have an impact on which nominees to the MC can be considered for appointment in any one year.

### **Charity law restrictions**

All MHA Committee members must be aware of any persons or bodies that are "connected" to them. Please see Appendix 1 of this Policy for the definition of **Close Relative** and **closely connected persons** more generally.

Charity law requires that certain conditions must be met before any payment or benefit in kind is given to a person, institution, or body, "**connected**" to a Committee Member, because the Committee Members are the charity trustees of MHA (again, see Appendix 1 for definition of "**connected**").

This will include payment of an employee's contracted pay and benefits if a Committee member (or prospective Committee Member) is "connected" to that employee.

Therefore, if considering an application for nomination as a Committee Member a person who has a Close Relative who is an employee of MHA, then ALL of these conditions must be met before that nomination can go forward:

1. A maximum amount of remuneration / benefit must be set in writing – that is, a potentially "connected" MHA employee must have a clear written contract with clearly stated pay and benefits.
2. The amount of remuneration / benefit must be reasonable – that is, a potentially "connected" MHA employee must be paid an appropriate and reasonable amount for their job, and certainly no more than anyone else who might be employed in that post.
3. The remuneration / benefit paid to the "connected" MHA employee should be in MHA's best interest – this is for the Management Committee to decide.
4. Nothing in MHA's Rules prohibits the remuneration / benefit – Rule 37.4 (as quoted above) confirms it is possible for an employee to be "connected" to a Management Committee member, but only when it is in the best interests of MHA and permitted by MHA's policies (such as this Protocol) and any relevant statutory or regulatory provisions.
5. Less than half the Management Committee members receive remuneration / benefit of any kind – while MHA does not provide any direct remuneration to Management Committee members – this includes:

- those Management Committee members with a “connected” MHA employee,
- any other forms of remuneration / benefit to “connected” bodies or persons, all as set out in Appendix 1.

Compliance with this condition 5 will be a matter of fact to be checked on each occasion a potential new “connection” is identified.

### **Safeguards & Declaration of Interest**

A person with a Close Relative who is an employee may be considered as a Committee Member if their Close Relative is not in a position of seniority within the MHA employee structure. If the employee is at the level of a Manager or above, then the person related to them will not be eligible to be a Committee member.

If an employee connected to a Committee Member (or subsidiary Board member) seeks promotion or a change of role, the relevant Committee or Board Member cannot be involved in the promotion recruitment exercise, declaring an interest and ensuring they have no part in that process. If the connected relative is chosen for the promoted post or new role, and that may mean that:

- the Committee or Board Member is no longer eligible to remain appointed in line with this Protocol – in which case that Committee or Board Member must step down; or
- the Committee or Board Member is no longer eligible to remain appointed to Sub-Committee(s) in line with this Protocol – in which case their Sub-Committee appointment(s) must come to an end.

Similarly, if a Close Relative connected to a Committee Member (or subsidiary Board member) seeks employment with MHA or one of its subsidiaries, the relevant Committee or Board Member cannot be involved in the relevant recruitment exercise, declaring an interest and ensuring they have no part in that process. If the connected relative is chosen for the post, that may mean that:

- the Committee or Board Member is no longer eligible to remain appointed (in line with this Protocol) – in which case that Committee or Board Member must step down; or
- the Committee or Board Member is no longer eligible to remain appointed to Sub-Committee(s) or as an Office Bearer, in line with this Protocol – in which case their Sub-Committee or Office Bearer appointment(s) must come to an end.

Any connection between a Committee or Board member and an employee must be recorded in the Register of Interests and declared as appropriate, as set out at section 4 of this Policy.

### **Examples**

The examples in the following tables explain when an applicant for nomination to Committee is **not** eligible for consideration as a Committee Member, a Board

member of an MHA subsidiary, a member of an MHA Sub-Committee or an Office Bearer; or if they may be considered for any of these roles.

Any eligible application does not automatically result in appointment.

An eligible applicant is also subject to:

- The restrictions noted above; and
- All the other criteria for eligibility (in MHA Rules, subsidiary company constitutions, and/or any other relevant policy document – see other relevant policies at end of this Protocol); and
- Provisions in the Rules / relevant subsidiary constitution regarding appointment, including where appropriate the election process at an annual general meeting.

A successful eligible applicant with a close relative who is an employee, who becomes a Management Committee Member, or subsidiary company Board member, will also:

- Have to make an appropriate entry in the Register of Interests in regard to their relative who is an employee; and
- Have to ensure their interest is declared, as and when appropriate, throughout the period of their appointment; and
- Not be eligible to participate in staffing matters (examples in the tables below).

**ELIGIBILITY FOR MANAGEMENT COMMITTEE OR SUBSIDIARY BOARD(S)**

<b><u>Relationship of potential Management Committee (MC) / Subsidiary Board member to an MHA employee</u></b>	<b><u>Are they Eligible or Not eligible to be considered for Management Committee / Subsidiary Board?</u></b>	<b><u>Illustrative Examples (not intended to be exhaustive)</u></b>
A potential MC / Board Member who is a close relative of a MHA employee working at Manager Level or above	<b>Not eligible</b> to be considered for the Management Committee. This also extends to MHA’s Sub-committee’s and the Boards of subsidiary companies.	A potential MC Member who is the brother of MHA’s Housing Services Manager submits a nomination to the join the Management Committee. This nomination could not be accepted.
A potential MC / Board Member who is a close relative of a MHA employee working up to (but not at) Manager Level	<b>Eligible</b> to be considered for the Management Committee, a Sub-committee and the Boards of subsidiary companies. <b>However, no longer eligible</b> if their relative is promoted to Manager Level (or above).	A potential MC Member who is the brother of MHA’s Estate Caretaker submits a nomination to the join the Management Committee. This nomination can be accepted. If the Estate Caretaker was then promoted to Estate Manager, the MC Member would no longer be eligible to remain on the MC, therefore, the MC Member must step down.
A potential MC / Board Member who is a close relative of an employee of MCE or MPS (or any other subsidiary of MHA). NOTE: Milnbank Community Enterprise (MCE) and Milnbank Property Services (MPS) are subsidiary companies of MHA (the parent). Employees of MCE and MPS are employed by the relevant subsidiary.	<b>Eligible</b> to be considered for the Management Committee and/or a Sub-Committee of MHA. <b>Not eligible</b> to be a Board Member of the relevant “connected” subsidiary company.	A potential MC Member who is the brother of MCE’s Window Cleaner submits a nomination to the join the Management Committee. This nomination can be accepted. However, the brother of the Window Cleaner cannot sit on the Board of MCE.

## ELIGIBILITY FOR MHA SUB-COMMITTEES

<b><u>Relationship of Management Committee (MC) member to an employee</u></b>	<b><u>Sub-Committee</u></b>	<b><u>Are they Eligible or Not eligible to be considered?</u></b>
An MC Member who is the close relative of any employee of MHA or a subsidiary company (at any level).	<b>Governance Sub-Committee:</b> part of the remit of this sub-committee includes some staffing matters.	<b>Not eligible</b> to serve on the Governance Sub-Committee
An MC Member who is the close relative of any employee of MHA or a subsidiary company (at any level).	<b>Audit &amp; Risk Sub-Committee</b>	<b>Eligible</b> to serve on the Audit & Risk Sub-Committee. <b>Not eligible</b> to Chair this Sub-Committee.
An MC Member who is the close relative of any employee of MHA or a subsidiary company (at any level).	<b>Remuneration Committee</b>	<b>Not eligible</b> to serve on the Remuneration Committee

## ELIGIBILITY FOR OFFICE BEARER ROLES

<b><u>Relationship to an employee</u></b>	<b><u>Office bearer roles</u></b>	<b><u>Are they Eligible or Not eligible to be considered?</u></b>
An MC Member or subsidiary Board member who is the close relative of any employee of MHA or a subsidiary company (at any level).	All office bearer roles whether for the MC or a subsidiary company	<b>Not eligible</b> to serve as an office bearer

## PARTICIPATION IN STAFFING MATTERS

<u>Relationship to an employee</u>	<u>Are they Eligible or Not eligible to participate in staffing matters?</u>	<u>Illustrative Examples (not intended to be exhaustive)</u>
An MC Member or subsidiary Board member who is the close relative of any employee of MHA or a subsidiary company (at any level).	<b>Not eligible</b> to participate in any staffing matters.	Examples include: <ul style="list-style-type: none"> <li>• Annual Staffing Report</li> <li>• Organisational staff re-structuring</li> <li>• Salary and conditions negotiations</li> <li>• Staff pension schemes</li> <li>• Recruitment</li> <li>• Disciplinary or Grievance Appeal Panel</li> <li>• Redundancies or settlements</li> <li>• Staff succession planning group</li> </ul>

### MHA related policies

This Protocol is also relevant (and may be cross-referenced) in other MHA policies, including:

- Committee Induction Policy
- Membership Policy
- Committee Handbook
- Succession Planning Strategy
- Code of Governance
- Code of Conduct for Committee Members

## **APPENDIX 5:**

### **Registers: requirements**

Each of the following registers, referred to in this policy, will record the details noted below.

#### **Register of Interests**

Register of all declarations of interest made by MC members, Board members and staff.

Should be maintained only for current MC members, Board members and current staff but records should be retained for 12 months in case of any retrospective application and to ensure that any decisions taken in the twelve months following a resignation/retiral are informed by interests declared.

The Chair should make an annual report to the MC to confirm that they have reviewed the register.

#### **Register of Payments and Benefits**

Register of all payments and benefits offered, received and declined by MC members, Board members and staff.

Include all/any payments and benefits received that are NOT covered by the terms of a contract of employment or policy (e.g. expenses).

Include description and value (estimated, if not fixed and known) as well as donor and recipient; where relevant.

#### **Register of Gifts and Hospitality**

Register of all gifts, hospitality and donations offered, received and declined by MC members, Board members and staff.

Include description and estimated value as well as donor and recipient; where relevant, also record destination of gift (e.g. retained by individual; shared with colleagues; included in Christmas raffle).