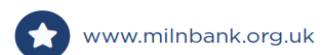


TO:	Management Committee
PREPARED BY:	Linda Sichi (Depute Director)
SUBJECT:	REVIEW OF CONTROL OF PAYMENTS & BENEFITS POLICY
DATE OF MEETING:	07 February 2023
APPROVED BY:	Paul Martin (Director)

CONTROL OF PAYMENTS & BENEFITS POLICY

February.2023/Ref: P61



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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 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.

MHA expects 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 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 the rules for the following categories of payments & 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](#).

MHA 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.

Members of your household	Partner, Relatives and Friends
<ul style="list-style-type: none"> • Anyone who normally lives as part of your household (whether related to you or otherwise) • Those who are part of your household but work or study away from home 	<ul style="list-style-type: none"> • Your partner (if not part of your household) • Your Close Relatives and their partners (see below) • Your partner’s Close Relatives (again, see below) • Your close friends • Anyone you are dependent upon or who is dependent upon you

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 cohabitees 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 can 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

	DECISION OR ACTIVITY	PERMITTED	GUIDANCE/PROCEDURES
1	Nomination to <u>join the MC</u> from someone who is closely connected to a serving MC member	Yes	This is permitted under MHA's Rules, declare the relationship in the Register of Interests.
2	Nomination to <u>join the MC</u> from an employee of MHA	No	This is not permitted in MHA's Rules.
3	Nomination to <u>join the MC</u> from someone who is closely connected to an employee of MHA	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.
4	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	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.
5	Payment of out of pocket <u>expenses</u>	Yes	<ul style="list-style-type: none"> • Claims must be in accordance with the Expenses Policy. • Expenses do not need to be declared in the Register of P&Bs
6	Payment for service as a <u>MC member</u> or as a Board member	No	<ul style="list-style-type: none"> • 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)
7	<u>Attendance</u> by MC, Board members, and/or staff members at <u>training events, conferences, seminars, openings/similar</u>	Yes	<ul style="list-style-type: none"> • Attendance must be approved by the MC in advance • Attendance will be recorded in the relevant individual training plan. • We will pay the costs of the event package including travel and accommodation if not part of the package. • No requirement to declare in the Register of P&Bs

	DECISION OR ACTIVITY	PERMITTED	GUIDANCE/PROCEDURES
	events hosted by other Housing Associations		
8	Attendance at events by MC, Board members, and/or staff members to mark awards, achievements or other significant milestones relevant to our business	Yes (subject to conditions)	<p>MC must approve prior to attendance and will only approve if:</p> <ul style="list-style-type: none"> • MHA, MCE, MPS, or one of our people, has been nominated for an award, or • Attendance is in recognition of achievement or in pursuit of appropriate business development, or • We can show the event is directly relevant to our business objectives. <p>Total costs must be reasonable and proportionate, as determined:</p> <ul style="list-style-type: none"> • Costs up to £500: by the Chairperson and the Director or • Costs over £500: the MC will require a clear, viable business case for attending. <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&Bs Register.</p>
9	Provision of a loan by MHA to one of our people	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

	DECISION OR ACTIVITY	PERMITTED	GUIDANCE/PROCEDURES
10	Making an offer of employment (temporary or permanent) to someone who is closely connected to an existing employee of MHA, MCE or MPS	Yes	<p>Permitted as long as:</p> <ul style="list-style-type: none"> • 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. • The offer of employment is approved by the MC. • There will be no direct or indirect line management or supervision

			<p>responsibility between people who are closely connected to each other</p> <p>The offer of employment is recorded in the Register of P&Bs, following its acceptance.</p>
11	Existing staff: <u>approval of re-grading, promotions and contract enhancements</u> specific to an individual staff member	Yes	<p>Permitted as long as:</p> <ul style="list-style-type: none"> Proposed decision is based on an objective assessment; and the proposed arrangement is approved by the MC.
12	All <u>entitlements</u> arising from a <u>contract of employment</u> with us or one of our subsidiaries	Yes	<ul style="list-style-type: none"> Any entitlement in terms of contract and agreed remuneration package is always permitted without the need to record. Our terms, conditions of employment & associated HR policies shall be regarded as part of the employment contract for the purposes of this Policy.
13	<u>Redundancy</u> or <u>Voluntary severance</u> payment to an employee	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>
14	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	No	<ul style="list-style-type: none"> MC members cannot be employees, in terms of MHA's Rules Our policy is not to contract for services direct from individual MC members.
15	Making an <u>offer of employment</u> to someone who has <u>previously received a voluntary severance payment</u> from us, if enhanced non-	No	<p>See the Staff Severance Policy for further details.</p>

	contractual terms were applied to a leaving package.		
16	Making an <u>offer of employment</u> to someone who is <u>closely connected to a current MC member</u>	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.
17	Making an <u>offer of employment</u> to someone who is <u>closely connected to a current Board member</u>	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.
18	<u>Appointment of a staff member to the MC</u>	No	This is not permitted in terms of MHA's Rules.

2) Gifts and Hospitality

	DECISION OR ACTIVITY	PERMITTED	GUIDANCE/PROCEDURES
19	<u>Acceptance of gifts and hospitality</u>	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

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

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"> • <u>Repairs</u> to our properties in accordance with MHA (private & common factoring) policy do not need to be declared or recorded in the Register. • <u>Adaptations</u> must comply with MHA policy; be approved by a senior manager; and be recorded in Register of P&Bs. MC approval is not required. • <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"> ○ If not part of an approved programme, improvement works must be approved by a senior manager and included in the Register of P&Bs. • 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.
22	Where one of our people (or someone closely connected to them) is a <u>tenant</u> & receives a <u>decoration allowance</u> or other discretionary payment relating to their tenancy or other tenant reward/incentive as part of an agreed scheme or prize	Yes	<p>Any decoration allowance, other discretionary payment or incentive/reward payment must be made in accordance with MHA policies and procedures; approved by a senior manager and recorded in the Register of P&Bs. MC approval is not required.</p> <p>Prizes or awards 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	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	Yes	<p>This is permitted, provided:</p> <ul style="list-style-type: none"> • The disposal must not be on terms that are more favourable than those available to other purchasers/lessees • Our policy and procedures are followed, including the requirement to set selling prices with reference to an independent valuation • The prospective purchaser or lessee or anyone closely connected to them plays no part in our approval or processing of the transaction • 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. <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	Any other sale of MHA property to one of our people or someone closely connected to them	No	This is not permitted.
25	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	No (in almost all cases)	<p>This is generally not allowed but we may make exceptions for:</p> <ul style="list-style-type: none"> • Property owners unable to afford improvement/repair works that are part of a recognised MHA programme (E.g. the GCC funded Property Acquisition Programme) • Referrals to us under the Scottish Government’s Mortgage to Rent scheme. <p>In these circumstances, purchase would be permitted provided:</p> <ul style="list-style-type: none"> • There is a clear strategic rationale for the purchase, and our procedures for property purchase are followed • 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.

			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	The purchase of goods/services from our suppliers/contractors by one of our people, for private purposes	No (in almost all cases)	<ul style="list-style-type: none"> This should normally be avoided, and will only be permitted if the procedure identified in Appendix 3 is followed
27	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) 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>Charity law requirement: 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 must be complied with before we could enter into a contract with any such Relevant Business.</p> <p>Subject to the above charity law requirement, 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"> 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.

		<ul style="list-style-type: none"> • 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. • The MC approves the outcome of the procurement process referred to above and any related due diligence carried out prior to award. • 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. • 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. <p>Again, subject to the above charity law requirement, 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"> • MHA issues a Request for Quote to no fewer than three service providers/suppliers/contractors (as the case may be). • There is no reasonable alternative available to us (e.g. because of the specialist nature of the goods/services). • 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
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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">• 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.
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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 Framework 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 Framework 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 FRAMEWORK 2023

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



Milnbank and Reidvale Housing Association

Outcome Tender Report

For

Joint Procurement for Repairs & Maintenance, OOH and Void Framework

by



Joint Procurement - Repairs & Maintenance, OOH and Void Framework

Background

The purpose of this Report is to advise the Committee of the outcome of the tender process for the Joint procurement for the Repairs & Maintenance, OOH and Void Framework for Reidvale Housing Association and Milnbank Housing Association (RHA and MHA).

The joint procurement was advertised on RHA Public Contracts Scotland (PCS) platform with the inclusion of MHA as the joint party. We advertised using the Open (Single Stage) Procedure to procure the contract.

The Framework will be for a maximum period of 4 years; it will initially run for 2-years at fixed rate costs and then will have the option to extend for a further 2 x single 12-month periods at individual HAs discretion.

Contract Agreements

The contract agreements will be separate with both organisation, the contracts are not interdependent. Bidders were required to submit costs for working for both Associations, both costing schedules were added together to get the total cost value. We then added the quality assessment score to get to the price/quality outcome. It should be noted that the tender sums on the tender values shown within the tender reports are not the actual costs. The costs are notional values used to ensure that we had fair, transparent and non-discriminatory tendering, that all bidders were based on the same level pricing schedule.

Selection Criteria

We used the Single Procurement Document (SPD) Scotland as the Pass or Fail selection criteria for the process as the tender was a regulated procurement activity in the UK as the cumulative value for the contract across all years was estimated to be well in excess of the £177,000 Services UK threshold. We had total of 31 submissions, 27 compliant submissions and 4 non-compliant submissions the names are detailed below in submission received order, green are compliant submission and red were non-compliant submissions and therefore not assessed:

Bidder	Return Order	Bidder	Return Order
624018 Timetra Ltd	1	627843 P.Veldon Building & Maintenance	17
626932 Mears Limited	2	629445 The city electric company limited	18
627690 Probe Drainage Specialists Ltd	3	629475 PSI decorators	19
627787 Steven Gough Decorators	4	627837 Magnus Electrical Services Limited	20
627506 AA Home Improvements	5	626259 Bell Decorating Group Limited	21
627793 K & G Roofing Ltd	6	629495 Graham Marshall & Son Ltd	22
624019 MCR Scotland Ltd	7	627789 Bw heating and plumbing ltd	23
627507 J Dunsmore Plasterer	8	629499 Scotia plumbing & heating	24
627785 Robertson Electrical Services	9	627925 RS Electrical Services (Scotland) Ltd	25
628025 M Scott Decorators	10	629502 Advance Height Services Ltd	26
627810 Allpest Services (Scotland) Limited	11	629503 J S McColl Painting Contractors Ltd	27
626251 A Brown Electrical	12	625191 Metro Rod Ltd	28
629088 R & G Glass & Glazing Ltd.	13	629405 Stuart Wilson Installations	29
629292 Ark Property Maintenance Ltd	14	629546 Saltire all trades	30
629320 Sound Service	15	629555 MP Group UK Limited	31
629414 I&D CANT Ltd	16		

Framework Lots

Tenders were able to bid for the below listed trade lots as set out in the ITT.

Lot on PCS	Workstream Combined	Estimated Annual Spend
1	Multi Trade Works - including any combination of trades but must include Joiner, Electrician, Plumbing, Painter, Builder, Roofer & Plasterer works (including out of hours cover) and Voids. Can also include Kitchen & Bathroom renewal works	350,000.00
2	Joinery - Can also include Kitchen renewal works	190,000.00
3	Plumbing - not gas service or heating but can also include Bathroom renewal works	190,000.00
4	Electrical - including Door Entry, TV Aerials and Electrical Heating works	190,000.00
5	Painting	110,000.00
6	Plastering	50,000.00
7	Roofing	175,000.00
8	Builderwork	160,000.00
9	Drainage works including Jetting, Clearing & Camera works	85,000.00
10	Fencing - metal and timber	20,000.00
	TOTAL	1,520,000.00
	4 Years Estimated Spend	6,080,000.00

Quality/Cost Assessment

Tenders were as set out in the ITT and evaluated on the basis of a Quality and Cost assessment which is split – 60% Quality and 40% Cost. The overall tenderers scores were based on the Most Economically Advantageous Tender (MEAT) process that provided an outcome result in numerical order after balancing price and quality, see Appendix 1 MEAT Outcome Results.

This is a non-ranked framework with the intention to have a flexible and balanced spread of works to all contractors on the framework each Lot this will be based on, VfM, availability, capacity, skillset, capability, location (proximity to live work orders) and KPI performance.

A panel consisting of RHA, MHA staff and consultants reviewed the quality assessments and nbm Quantity Surveyors reviewed the cost submissions and provided the cost details and information after the quality scores were fully completed to ensure transparency and meeting best practice governance of the process.

Out of Hours Cover

The contract stated that the bidder with the highest MEAT result and offer the best VfM would be required to undertake the OOH service for all works, both RHA and MHA, under the framework. That bidder is Timetra Ltd, we intend to hold a formal pre-start meeting with Timetra as they are not only being offered a place under Lot 1 – Multi-Trade contractor, but they will also be providing the OOH service. The other successful bidders will receive a lighter touch / hybrid pre-start.

Proposed Formal Appointments

We will be issuing formal letters of appointment as stated in the Condition of Contract listed below from the Tender documents.

Conditions of Contract

The form of Contract will be the SBCC Measured Term Contract 2011 Edition incorporating Amendment 1 Issued March 2015 (Effective from 6 April 2015) and Amendment 2 issued February 2018 (effective from 26 February 2018) for use in Scotland as issued by the Joint Contracts Tribunal as amended and modified by the Scottish Building Contract Committee and, further amendments and modifications as detailed below, and the supplementary conditions below, all of which are held to be incorporated in the form part of this contract. No Editions, Revisions, Amendments or other changes made either by the Joint Contracts Tribunal or by the Scottish Building Contract Committee subsequent to the date mentioned above shall apply in any respect whatsoever.

Execution of the Contract shall be deemed to have taken place when a Tender and a Letter of Acceptance have been exchanged between the parties.

Clarifications

All the tenders have been checked and validated by nbm, attached with this Outcome Tender Report is the QS tender reports.

Recommendation

It is recommended that RHA and MHA invite the list of contractors provided in Appendix 1 to be part of the Repairs & Maintenance, OOH and Void Framework. It should be noted that this is not an offer of works or any value of works, it is only an invitation to be part of the framework, this does not guarantee that any works or any value of works will be passed to any of the contractor offered a place on this framework.

Appendix 1 - MEAT Outcome Results

Lot 1 - Multi- Trade

Bidder	Quality transposed into points	Financial Bid transposed into points	Total	MEAT Result
624018 Timetra Ltd	60.00	40.00	100.00	1
629555 MP Group UK Limited	56.78	36.68	93.46	2
626259 Bell Decorating Group Limited	56.20	26.24	82.43	3

Lot 5 - Painter

Bidder	Quality transposed into points	Financial Bid transposed into points	Total	MEAT Result
626259 Bell Decorating Group Limited	60.00	29.28	89.28	1
629475 PSI decorators	53.27	32.83	86.10	2
629503 J S McColl Painting Contractors Ltd	56.54	29.56	86.09	3

626932 Mears Limited	53.85	27.86	81.7 1	4

627787 Steven Gough Decorat ors	46.15	33.59	79.7 4	4
628025 M Scott Decorat ors	22.50	40.00	62.5 0	5

**Lot 2 -
Joiner**

Bidder	Quality transp osed into points	Financi al Bid transp osed into points	Tot al	ME AT Res ult
624018 Timetra Ltd	60.00	38.57	98.5 7	1
626259 Bell Decorati ng Group Limited	56.22	40.00	96.2 2	2
629555 MP Group UK Limited	59.10	36.42	95.5 2	3
626932 Mears Limited	54.77	32.22	86.9 9	4
629495 Graham Marshall & Son Ltd	49.19	35.86	85.0 5	5
629405 Stuart Wilson Installati ons	45.23	39.67	84.8 9	6
627925 RS Electrical Services	49.19	35.17	84.3 6	7

**Lot 6 -
Plasteri
ng**

Bidder	Quality transp osed into points	Financi al Bid transp osed into points	Tot al	ME AT Res ult
627787 Steven Gough Decorat ors	60.00	40.00	100. 00	1
627507 J Dunsmo re Plastere r	51.25	36.60	87.8 5	2
627843 P.Veldo n Building & Mainten ance	51.00	31.30	82.3 0	3

(Scotland) Ltd				
627506 AA Home Improvements	37.48	39.10	76.58	8

**Lot 3 -
Plumber**

Bidder	Quality transposed into points	Financial Bid transposed into points	Total	ME AT Result
624018 Timetra Ltd	60.00	31.06	91.06	1
629555 MP Group UK Limited	58.38	29.42	87.79	2
627789 Bw heating and plumbing ltd	44.68	40.00	84.68	3
629499 Scotia plumbing & heating	50.63	29.46	80.09	4
626932 Mears Limited	53.87	24.87	78.75	5

**Lot 4 -
Electrical**

Bidder	Quality transposed into points	Financial Bid transposed into points	Total	ME AT Result

**Lot 7 -
Roofing**

Bidder	Quality transposed into points	Financial Bid transposed into points	Total	ME AT Result
629502 Advance Height Services Ltd	60.00	40.00	100.00	1
627793 K & G Roofing Ltd	53.46	29.60	83.06	2
627843 P.Veldon Building & Maintenance	40.38	34.07	74.45	3
629292 Ark Property Maintenance Ltd	35.38	35.59	70.98	4

**Lot 8 -
Builder**

Bidder	Quality transposed into points	Financial Bid transposed into points	Total	ME AT Result

629445 The city electric company limited	55.31	40.00	95.3 1	1
627837 Magnus Electrical Services Limited	60.00	32.33	92.3 3	2
629320 Sound Service	53.36	29.55	82.9 0	3
627925 RS Electrical Services (Scotlan d) Ltd	53.36	27.78	81.1 4	4
626251 A Brown Electrical	33.03	33.58	66.6 1	5
627785 Robertso n Electrical Services	23.84	36.78	60.6 2	6

629555 MP Group UK Limited	60.00	36.83	96.8 3	1
624019 MCR Scotlan d Ltd	50.44	36.83	87.2 7	2
629292 Ark Propert y Mainten ance Ltd	33.56	40.00	73.5 6	3

Lot 10 - Fencing

There was only 1 submission so we were unable to demonstrate VfM therefore it was decided by both MHA and RHA that this lot shall be a non-award on the basis of no suitable requests to participate have been submitted in response to the contract notice.

Lot 9 - Drainage

Bidder	Quality transp osed into points	Financi al Bid transp osed into points	Tot al	ME AT Res ult
627690 Probe Drainag e Speciali sts Ltd	54.27	40.00	94.2 7	1
625191 Metro Rod Ltd	60.00	32.24	92.2 4	2

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)

<u>Relationship of potential Management Committee (MC) / Subsidiary Board member to an MHA employee</u>	<u>Are they Eligible or Not eligible to be considered for Management Committee / Subsidiary Board?</u>	<u>Illustrative Examples (not intended to be exhaustive)</u>
A potential MC / Board Member who is a close relative of a MHA employee working at Manager Level or above	Not eligible 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	Eligible to be considered for the Management Committee, a Sub-committee and the Boards of subsidiary companies. However, no longer eligible 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.	Eligible to be considered for the Management Committee and/or a Sub-Committee of MHA. Not eligible 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

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

ELIGIBILITY FOR OFFICE BEARER ROLES

<u>Relationship to an employee</u>	<u>Office bearer roles</u>	<u>Are they Eligible or Not eligible to be considered?</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).	All office bearer roles whether for the MC or a subsidiary company	Not eligible 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).	Not eligible to participate in any staffing matters.	Examples include: <ul style="list-style-type: none"> • Annual Staffing Report • Organisational staff re-structuring • Salary and conditions negotiations • Staff pension schemes • Recruitment • Disciplinary or Grievance Appeal Panel • Redundancies or settlements • Staff succession planning group

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).