



PAYMENTS AND BENEFITS POLICY

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1. Policy Purpose

- 1.1 This is an ng group Policy and it is aimed at Board members and employees¹ in the Association and our subsidiaries, referred to in this Policy as “our people” and “you”.
- 1.2 The Policy describes how we will manage payments and benefits to our people and, in certain circumstances, to people closely connected to them (for example, family members).

Appendix 1 sets out in detail what payments and benefits are permitted or prohibited and the procedures that must be followed. The Policy is designed to ensure that these arrangements demonstrate transparency, honesty and propriety and to ensure that there is no justifiable public perception of impropriety.

2. Legal and Regulatory Framework

- 2.1 This Policy is a requirement of the Association’s Rules. The Association must make sure that our Board members, as Charity Trustees, only receive payments or benefits where the law allows this. We must also comply with the Scottish Housing Regulator’s standards and guidance which oblige us to:

- Conduct our affairs with honesty and integrity;
- Ensure that our people do not benefit improperly from their position;
- Set a clear policy for any payments and benefits we make to our people and their close relatives, making sure that we act with transparency, honesty and propriety and avoid any public perception of improper conduct;
- Ensure that our policy covers payments and benefits to board members in all parts of our group structure.

- 2.2 In developing this Policy, we have strengthened, to suit the Association’s circumstances, the 2016 Model Policy published by the SFHA. We have also retained some elements of previous regulatory guidance on the Housing (Scotland) Act 2001 (Part 1, Schedule 7).²

¹ People on secondment and consultants undertaking duties normally performed by staff members will be considered as employees only for the purposes of this Policy

² Housing (Scotland) Act 2001 and Communities Scotland Guidance Note on Schedule 7

3. Policy Statement

3.1 Principles

- All members of the ng Group will act lawfully and with integrity, to avoid any public perception of improper conduct.
- Nobody should benefit improperly or inappropriately from their position with us.
- Our people and those closely connected to them should not receive any type of 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 or those closely connected to them may have.
- Our people must never offer, seek or accept bribes and must comply with our Anti Bribery Policy at all times.

- 3.2 We expect our people to act in good faith and in return we will apply a common-sense approach to the application of the Policy. If you are unsure about anything covered by the Policy, you should consult the Chair or CEO (Board members) or your line manager (employees).
- 3.3 Our Board will have discretion to consider and approve payments or benefits that are not addressed explicitly in this Policy. If the Board does this, its decisions must have regard to the policy principles set out above and current regulatory guidance.

4. Payments and Benefits Covered by the Policy

- 4.1 Appendix 1 sets out our rules for the following types of payments and benefits:

- 1) Board membership, payment of expenses and attendance at training and other events
- 2) Staff recruitment and HR management
- 3) Granting of tenancies
- 4) Matters relating to a tenancy or other service agreement (e.g. repairs, improvements, adaptations, discretionary payments)

- 5) Sale, purchase or leasing of land or property
 - 6) Procurement and contracts with businesses trading for profit (including private use of our contractors and suppliers by our people)

5. Declaring Interests and Actions Covered by the Policy

5.1 We maintain a **Register of Interests** that you should use to record any interests you or people closely connected to you have that are relevant to our business or our decisions. All of our people will be asked annually to confirm that their entry in the Register of Interests is accurate and up to date. Our **Policy on Declaration of Interests** describes the interests you should consider and the definition of “closely connected to” that applies for this purpose.

5.2 You should always make a declaration if you or a person closely connected to you:

- Are already a tenant or service user of ours
 - Have applied for rehousing from us
 - Have made an application for employment with us
 - Are a principal proprietor/shareholder or senior manager of a company trading for profit that we do 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 goods or services to us.

5.3 In deciding what interests you may need to declare, we also ask you to do this from the point of view of a reasonable and objective observer and to adopt a common sense approach at all times.

- 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 everyone 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.

6. Formal Controls on Payments and Benefits

- 6.1 Some of the interests you declare or that we identify may relate to a **potential payment or benefit**. For example, receiving a house, applying for a job, or purchasing a low cost home ownership property from us. Please see **Appendix 1** for a full list.
- 6.2 If this is the case, Appendix 1 sets out the **formal controls we will apply** in deciding whether we can approve the payment or benefit and how things should be managed. These controls include:
- Decision making about whether to permit the potential payment or benefit;
 - Making sure you do not play any part in our decision-making processes;
 - Obtaining Board approval for the proposed payment or benefit;
 - Recording approval in a Register of Payments and Benefits, to make sure matters are clearly “on the record”.
- 6.3 The formal controls apply where the potential beneficiary of a payment or benefit is a Board member or employee within the Group, or a person closely connected to a Board member or employee. The people we regard as closely connected for this purpose are:

Members of your household	People closely connected to you
<ul style="list-style-type: none">• Anyone who normally lives as part of your household, whether they are related to you or not <p><i>(this includes spouses/partners and children who work or study away from home)</i></p>	<ul style="list-style-type: none">• Parents, parents-in-law and their partners• Sons and daughters, stepsons and step-daughters, and their partners• Brothers and sisters and their partners• A partner’s parent, child, brother or sister• Grandparents, grandchildren and their partners• Someone who is dependent on you or whom you are dependent on• Close friends

7. Private Use of Our Contractors and Suppliers

- 7.1 You should not use any of the Group’s contractors or suppliers for private purposes, other than in the exceptional circumstances described in the procedures at **Appendix 2**.

If you consider that this is unavoidable, you must follow the procedures at Appendix 2 to obtain our approval.

8. Policy Implementation and Compliance

- 8.1 The Association will maintain a **Register of Payments and Benefits** to record cases where we have approved a payment or benefit under this Policy. It is our responsibility rather than yours to maintain this Register, but we depend on you being open in declaring all interests affected by this Policy that you are aware of.
- 8.2 We will not use the Register of Payments and Benefits for employment matters (these will be recorded instead in personnel files); or for repairs or other contractual entitlements that occur after a tenancy has been approved and recorded in the Register.
- 8.3 Where prior Board approval is needed, the ng homes Board (through Standing Orders) may delegate authority to a Sub-Committee or to the Executive Committee, to prevent delays in decision-making outside the normal cycle of board meetings. Decisions made under this delegated authority will be reported to the next Board meeting.
- 8.4 Where a matter relates wholly to ng2 (e.g. an applicant for employment with ng2 is related to an existing ng2 employee), the matter will be decided by the ng2 Board. If a matter concerns both ng homes and ng2, it will be decided by the ng homes Board. To prevent delays in decision making, the ng2 Board may establish an ad hoc payments and benefits committee made up of the Chair and two other ng2 Board members. The committee's decisions will be reported to the next meetings of the ng2 Board.
- 8.5 All Group Members must make sure that payments and benefits are recorded in the Group's Register of Payments and Benefits. An annual report on the items recorded in the Register will be submitted to the Board of the Association, as Group Parent.

9. Breaches of the Policy

- 9.1 We will follow the procedures set out in our codes of conduct to investigate alleged breaches of this Policy or related policies and procedures, by either employees or Board members. The relevant Board within the Group will be responsible for deciding what action should be taken, based on the investigation findings. This may include taking action to recover payments or benefits that have been made in breach of our Policy, and/or disciplinary action.

9.2 Breaches of the Policy shall be treated as a breach of the codes of conduct and must therefore be reported to the Association, as Group Parent.

10. General Data Protection Regulation (GDPR)

10.1 We recognise the importance of data protection legislation in protecting the rights of individuals in relation to personal information that we may handle and use about them, whether on computer or in paper format. We will ensure that our practices in the handling and use of personal information during the processes and procedures outlined in this policy comply fully with data protection legislation. More information is available from our Data Protection Officer.

11. Other Related Policies

- Notifiable Events
- Expenses
- Gifts, Hospitality and Donations
- Declaration of Interests
- Staff Code of Conduct
- Board Code of Conduct
- Allocations
- Adaptations
- Bribery
- Whistleblowing
- Recruitment
- Disciplinary and Grievance Procedures
- Learning, Development and Further Education
- Procurement Strategy
- Stock Disposal
- Inconvenience Payments in Planned Maintenance
- Data Protection

12. Equality Impact Assessment

12.1 This Policy is equally applicable to all and has no detrimental impact on protected characteristic groups as specified within the Equality Act 2010.

13. Policy Review

- 13.1 This Policy will be reviewed every two years or earlier in line with changes to the Rules of the Association, legislative or regulatory guidance/changes or good practice guidelines.

Appendix 1: Formal Controls on Payments and Benefits

DECISION OR ACTIVITY	PERMITTED?	GUIDANCE/PROCEDURES
1. BOARD: MEMBERSHIP & PAYMENT FOR SERVICE		
1.1 Payment for service as a board member or for providing advice to us in a professional capacity	No	<ul style="list-style-type: none"> Our policy is <u>not</u> to pay Board members in any part of the Group for their service (other than repayment of out of pocket expenses) or for any advice provided in a professional capacity
1.2 Nominations to join the Board from people who are closely connected to a serving Board member	Yes	<ul style="list-style-type: none"> This is permitted under our Rules Entry required in the Register of Interests, to declare the relationship.
2. BOARD: PAYMENT OF EXPENSES		
2.1 Payment of expenses (out of pocket expenses, reimbursement of travel costs etc.)	Yes	<ul style="list-style-type: none"> Claims must be in accordance with our policy and procedures Payment of expenses does not need to be declared in the Register of Payments and Benefits
3. BOARD AND STAFF: ATTENDING TRAINING AND EVENTS		
3.1 Attendance by Board and/or staff members at training events or conferences/seminars or openings/similar events hosted by other RSLs	Yes	<ul style="list-style-type: none"> We will pay the costs of the event package. If not part of the package, we will arrange and pay for travel and accommodation on behalf of Board members. No requirement to declare in the Register of Payments and Benefits
3.2 Attendance at events by Board and/or staff members to mark awards, achievements or other significant milestones relevant to our business	Yes	<p>Board must approve prior attendance and will only do so if:</p> <ul style="list-style-type: none"> ng group 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 demonstrate event is directly relevant to our objectives/business aims. Total costs must be reasonable and proportionate, as determined by the Chairperson and CEO (if the total costs exceed £500 per person, the Board must give specific approval based on a business case), and

DECISION OR ACTIVITY	PERMITTED?	GUIDANCE/PROCEDURES
		<ul style="list-style-type: none"> We will make all necessary arrangements (e.g. travel, accommodation, costs of event attendance) on behalf of those attending, and Costs for each attendee shall be recorded in the Register of Payments and Benefits
4. BOARD AND STAFF: GIFTS AND HOSPITALITY		
4.1 Acceptance of gifts and hospitality	Yes, in some circumstances	<ul style="list-style-type: none"> Our Policy on Gifts, Hospitality and Donations sets out the limits and procedures that apply to accepting gifts and hospitality and when they must be recorded in the Register of Gifts and Hospitality
5. STAFF RECRUITMENT		
5.1 Making an offer of employment (temporary or permanent) to someone who is closely connected to an existing Group employee	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; and The offer of employment is approved by the Board or (if a decision cannot await the next meeting of the Board) the Executive Committee No direct or indirect line management or supervision responsibility will be created between people who are closely connected to each other; and The offer of employment is recorded in the Register of Payments and Benefits, following its acceptance
5.2 Existing staff: approval of re-gradings /promotions and contract enhancements 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 Board or Executive Committee
5.3 Making an offer of employment to someone who is, or who has been in the last twelve months, a Board member in any part of the Group	No	<ul style="list-style-type: none"> This cannot be permitted

DECISION OR ACTIVITY	PERMITTED?	GUIDANCE/PROCEDURES
5.4 Making an offer of employment to someone who is closely connected to a current board member in the Group	No	<ul style="list-style-type: none"> This cannot be permitted
6. HUMAN RESOURCES MANAGEMENT		
6.1 All entitlements arising from a contract of employment 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 and conditions of employment and associated HR policies shall be regarded as part of the employment contract for the purposes of this Policy.
6.2 Provision of a loan by us to one of our people	No	<ul style="list-style-type: none"> This is not permitted unless allowed for in the contractual terms of employment. We cannot make any other loans to individuals.
6.3 Redundancy or Voluntary severance 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>For ng homes employees, we can also make a voluntary severance payment to an employee which is outside the terms of their contract of employment provided:</p> <ul style="list-style-type: none"> a) The payment is instead of (not additional to) any redundancy entitlement; and b) The payment arises directly from a decision to terminate the employee's contract of employment and there is a clear business rationale for doing so (such as early retirement, redundancy, restructuring or to improve organisational effectiveness and efficiency); and c) The proposed payment is approved by the Board and the affected employee does not play any part in advising the Board about any voluntary severance payment that may be awarded to them; and

DECISION OR ACTIVITY	PERMITTED?	GUIDANCE/PROCEDURES
		<p>d) The total sum of the non-contractual payment and benefit does not exceed, in the opinion of our legal adviser, the total cost of a successful application by the employee to a Court or Tribunal (including the likely level of compensation that might be awarded by a court or tribunal and associated costs to the organisation to participate in the tribunal); and</p> <p>Payment is no more than one year's gross remuneration, if the employee has more than 10 years continuous service with the Group; or, if less than 10 years continuous service, payment is no more than one-tenth of one year's gross remuneration for each year of completed service with the Group. Where staff transferred in under TUPE total years service can be used for this calculation. This also applies where staff join from a full EVH member in line with the Staff Terms and Conditions of Employment.</p> <p>In exceptional circumstances (for example, where a settlement agreement is being negotiated), the Board shall have authority to exceed the limits specified in paragraph e), where independent legal advice confirms that this is required.</p> <p>For ng2 employees, any redundancy payments will be determined on the basis of the employee's statutory entitlement. In exceptional circumstances, the ng2 Board may consider entering into a settlement agreement to terminate the employment contract on mutually agreed terms, while also ensuring that the sum offered is the minimum necessary to achieve this outcome.</p>
7. TENANCIES & SERVICE AGREEMENTS		
7.1 The granting of a tenancy or lease in one of our properties to one of our people or to someone closely connected to them	Yes	<p>Permitted as long as:</p> <ul style="list-style-type: none"> The decision is in accordance with our published allocations policy, and Neither the applicant nor anyone closely connected to them is involved in any way or in any part of the allocation process, and

DECISION OR ACTIVITY	PERMITTED?	GUIDANCE/PROCEDURES
		<ul style="list-style-type: none"> Granting of the tenancy is approved in advance by the Board or (if a decision is needed earlier to start the tenancy) by the Executive Committee and Granting of the tenancy is recorded in the Register of Payments and Benefits
7.2 Where one of our people is a tenant and receives a repair, improvement or adaptation to their home	Yes	<ul style="list-style-type: none"> Repairs to our properties in accordance with our policy do not need to be declared or recorded. This also applies to common repairs to properties we factor. Adaptations must comply with our policy; be approved by senior manager; and be recorded in Register of Payments and Benefits. Board approval not required. Improvements must be carried out as part of an approved programme and/or in accordance with our policy. <ul style="list-style-type: none"> If not part of approved programme, improvement works must be approved by a Director and included in the Register of Payments and Benefits. If a Board or staff member has a personal interest in improvement works to be discussed at a meeting, they must declare their interest in the works.
7.3 Where one of our people is a tenant and receives a decoration allowance or other discretionary payment relating to their tenancy	Yes	<ul style="list-style-type: none"> Any such payments and/or allowances must be made in accordance with our policies and procedures; approved by a senior manager, and recorded in the Register of Payments and Benefits. Board approval is not required.

DECISION OR ACTIVITY	PERMITTED?	GUIDANCE/PROCEDURES
8. SALE/PURCHASE/LEASING OF LAND OR PROPERTY OF PROPERTY		
8.1 Disposal of our interest (whole or part) in a property to a board member* or someone closely connected to a board member or employee via LIFT, HomeBuy; 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 Board or (if an earlier decision is needed) by the Executive Committee. The Board will assess proposed disposals to Board or staff members carefully, to ensure that they do not create any reputational risks for ng homes • The disposal shall be recorded in the Register of Payments and Benefits, with full details recorded in the relevant files for audit purposes
8.2 Any other sale of ng homes property to one of our people or someone closely connected to them	No	This is not permitted.
8.3 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 prohibited in almost all cases. The only exception would be if you were referred to us under the Scottish Government's Mortgage to Rent scheme, where purchase would be permitted provided:</p> <ul style="list-style-type: none"> • Our policy and procedures are followed • The prospective seller plays no part in the decision to purchase the property or the processing of the transaction by us • The transaction is approved by the Board and recorded in the Register of Payments and Benefits, and details of the process followed are recorded in the relevant files.

DECISION OR ACTIVITY	PERMITTED?	GUIDANCE/PROCEDURES
9. CONTRACTS: BUSINESSES TRADING FOR PROFIT		
<p>9.1 Entering into a contract with a <u>relevant business</u></p> <p>i.e. a business trading for profit where one of our people, or someone closely connected to them, is a principal proprietor or shareholder or is directly involved in the management of the business</p> <p>This includes cases where we have required the use of a specified third party (e.g. where a main contractor is employing a relevant business as a nominated sub-contractor).</p> <p>We will apply the detailed definitions set out in previous regulatory guidance on Schedule 7 (see Appendix 3), in relation to the meaning of:</p> <ul style="list-style-type: none"> • “business trading for profit” • “principal proprietor” and • “directly involved in the management of” 	No (in almost all cases)	<p>Contracts with relevant businesses are prohibited in almost all circumstances.</p> <p>Group members cannot enter into a contract with a relevant business owned or managed by someone who has been a Board member or employee of a Group Member in the last 12 months.</p> <p>We will only consider entering into a contract with a relevant business in the most exceptional of circumstances, where:</p> <ul style="list-style-type: none"> • The Board member or employee affected by this policy is not involved in any part of the procurement process or decision and would not be involved in the management, supervision or renewal of any contract awarded; • The appointment is in accordance with our procurement policy and the procurement process is fair and accountable; • The appointment is approved by the Board which is satisfied that the appointment is reasonable in the circumstances; • There is no reasonable alternative available to us (e.g. because of the specialist nature of the goods/services). <p>In such rare circumstances, the appointment would be 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>
9.2 The purchase of goods/services from our suppliers/contractors by one of our people, for private purposes	No (in almost all cases)	This should normally be avoided, and will only be permitted if the procedure identified in Appendix 2 is followed

NORTH GLASGOW HOUSING ASSOCIATION: GROUP POLICY ON PAYMENTS & BENEFITS

Appendix 2: Private Use of the Group's Contractors, Consultants or Suppliers

- 1) We ask all Board and staff members in the ng group to keep their personal purchasing arrangements separate from the work of the Group. We must avoid:
 - Any perception of impropriety or favourable treatment;
 - Your own business affairs and ours becoming intermingled.
- 2) For these reasons, our strong preference is that **you should not use any of the Group's contractors, consultants or suppliers**, other than those who:
 - Only provide services of a small value (e.g. local window cleaners or sandwich shops) or
 - Have such a large national or local standing that no favour could ever realistically be gained (e.g. utilities, BT, banks or national chains).
- 3) We have given a list to all Board and staff members, stating all of the contractors, consultants and suppliers you should avoid using. This list will be updated periodically.
- Obtain approval from us before the start of any works or services (from the Chairperson for Board Members, and from the CEO for staff members);
- Demonstrate what you have done to establish that there is no reasonable alternative contractor/supplier providing the service you need in your local area;
- Demonstrate (by providing quotations and receipts) that you would pay full commercial rates and would not receive favourable treatment of any kind due to your involvement with us.
- 6) In making their decision, the Chairperson or CEO will:
 - Consider any potential risks to our reputation and whether any potential conflicts of interest may arise;
 - Consider steps needed to manage any future conflicts of interest (for example: to remove the individual from any contact/decisions about the contractor/supplier on our behalf);
 - Maintain a clear audit trail of all requests and decisions.

Procedures for Managing Any Exceptions

- 4) We recognise that there could be very exceptional circumstances where you believe that using one of our contractors/suppliers is genuinely unavoidable. For example, if the service you need is very specialised, or if local market conditions make it difficult to obtain a reasonable selection of potential contractors or suppliers willing to carry out or quote for work.
- 5) In such exceptional circumstances, you can seek our approval to use contractors/suppliers on our list. If you do so, you must:
 - 7) If you receive approval, you must record your use of one of our contractors/suppliers in the **Register of Interests**. The total number of our people to use contractors and suppliers will be reported annually to the Board, when we are reporting on declarations of interest and payments and benefits.

NORTH GLASGOW HOUSING ASSOCIATION: GROUP POLICY ON PAYMENTS & BENEFITS

Appendix 3: Further definition of terms in relation to procurement and contracts

Source: Communities Scotland Guidance Note 2003/02, Control of Payments and Benefits

Businesses trading for profit: a business trading for profit is one that can distribute its surpluses, profits or capital to its members or shareholders for their personal use.

Person directly concerned in the management: a person is "directly concerned in the management" of a business trading for profit if he or she has the power to make decisions for the business such that there is a real risk that the RSL's decision to make a payment or grant a benefit to the business could be influenced by the interests of the business.

Principal Proprietor: someone whose degree of ownership is such that there is a real risk that the RSL's decision to make a payment or grant a benefit to that business could be influenced by that fact. This degree cannot be set at any particular percentage of share ownership or equity partnership – it will depend on the facts of each case. However, a person may be considered a principal proprietor if he/she:

- can vote on questions affecting the management and conduct of the business or its internal constitution;
- has the right to any shares of the business; or
- has the right to any share capital of the business on the winding-up.

A person will not normally be considered a principal proprietor if they have a small shareholding in a large company and in the case of large businesses that operate nationally, such as banks, building societies and public utilities, this condition will only apply to parts of the business with which the RSL has a direct relationship.