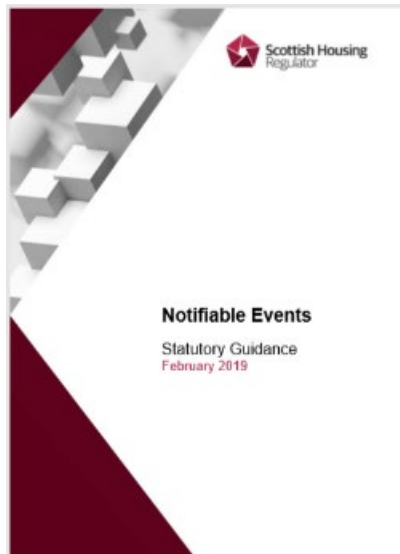




Know the codes

An overview of key documents



23rd March 2023



What we will cover

- The Role of the Scottish Housing Regulator - an overview
- Code of Conducts and dealing with conflicts of interest
- Notifiable events – an overview
- Whistleblowing – an overview

Introductions

Introduce yourself, how long have you been on the committee?

Is there anything particular your looking to learn / discuss tonight?



The Scottish Housing Regulator

An very brief overview



**Scottish Housing
Regulator**

The Scottish Housing Regulator:

- Hold the register of social landlords in Scotland
- Develop Performance Indicators to measure association performance against Scottish Social Housing Charter, **and**
- Developed Standards of Governance and Financial management to measure board / committee performance
- Regulate Scotland's Housing Associations by:
 - Monitoring their performance against Charter Indicators
 - Asking boards committee to **self-assess** against standards of governance and financial management,
 - Monitoring delivery of other legal and regulatory expectations
 - Comparing performance against of other social landlords

Assurance Statements

What the framework requires

Your committee should confirm that ... that you comply with:

- All relevant regulatory requirements set out in Chapter 3 of the Framework, including:
 - All relevant standards and outcomes in the Scottish Social Housing Charter
 - All relevant legislative duties
 - The Standards of Governance and Financial Management



Engagement Plans

Regulatory status

Status	What this means
<i>Compliant</i>	The RSL meets the Standards of Governance & Financial Management and regulatory requirements.
<i>Working towards compliance</i>	The RSL does not meet the Standards of Governance & Financial Management and regulatory requirements, and it is working to achieve compliance.
<i>Statutory action</i>	The RSL does not meet Standards of Governance & Financial Management and regulatory requirements, and we are using statutory powers to address the non-compliance.



Regulatory Standards of Governance and Financial Management

1. The governing body leads and directs the RSL ...
2. The RSL is open and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders ...
3. The RSL manages its resources to ensure its financial well being, whilst maintaining rents at a level tenants can afford to pay
4. The governing body bases its decisions on good quality information and advice and identifies and mitigates risks ...
5. The RSL conducts its affairs with honesty and integrity
6. The governing body and senior officers have the skills and knowledge they need to be effective
7. The RSL ensures that any organisational changes or disposals it makes safeguard the interests of, and benefit, current and future tenants.



Code of
Conduct

Regulatory
Standards



Entitlements,
Payments &
benefits

Notifiable Events
& Whistleblowing



What do you think the
Code of Conduct covers?

Why is it important?



Who does the policy cover?

“Our Code of Conduct applies to all elected, appointed and co-opted members of our Management Committee and its sub-committees and to the governing bodies of any subsidiaries.”

Rosehill Code of Conduct (2022)

Code of Conducts

Two key elements

1. Code of Conduct

outlines what is expected of the committee collectively and as individuals

2. Acceptance Form

must be signed annually by each committee member to accept the codes expectations, and their understanding that action may be taken to address breaches of the code



“Our Code of Conduct is based on the seven principles which are recognised as providing a framework for good governance. They demonstrate honesty, integrity and probity.”

Rosehill code of conduct (2022)

Selflessness

Openness





Honesty




Objectivity

Integrity

Accountability

Leadership

Key expectations of any code		
Selflessness	<p>Collective Responsibility – accepting the decisions of the governing body</p> <p>Being tolerant of the views of others</p> <p>Not using your position to influence staff decisions</p>	
Openness	<p>Declare and manage conflicts of interest</p> <p>Comply with Gifts and Hospitalities policy</p> <p>Ensure association decisions are open and transparent and take account of customers views</p>	
Honesty	<p>Ensure there is a policy to report potential wrong doing i.e. fraud, corruption, etc.</p> <p>Not misusing association resources / Not accepting bribes</p> <p>Not receiving preferential treatment from association, contractors, etc.</p>	
Objectivity	<p>Preparing effectively for meetings</p> <p>Seek additional information, external / independent advice if required</p> <p>Ensure decisions are based on an adequate assessment of risk, and ensure the financial well-being of the organisation</p>	

<p>Integrity</p>	<p>Treat your colleagues and their opinions with respect Uphold equality and diversity, whistleblowing and acceptable use policies Respect confidentiality of information Not to seek or accept benefits, gifts, hospitality or inducements</p>	
<p>Accountability</p>	<p>Ensure there are effective systems to monitor and report on association's performance Contributing & participating constructively in meetings Ensure there is an appropriate system to support and appraise Senior Officers Co-operating with any investigations in connection with this Code (i.e. breaches)</p>	
<p>Leadership</p>	<p>Ensure that strategic aims, objectives and activities deliver good outcomes for tenants Be a positive ambassador for the association Participate in an annual review of the board's effectiveness Not criticise the association their actions or the staff in public Not using social media to criticise the association</p>	

Why is it important to ensure confidentiality of information?

Why is it important to support board decisions in public?

Why is it important to declare and manage conflicts of interest?



Dealing with breaches to the code

“If any member of the Governing Body believes that they may have breached the Code, or has witnessed or has become aware of a potential breach by another member, they should immediately bring the matter to the attention of the Chair.”

Typical conduct for Governing Body Members

“The Chair has delegated authority, in consultation with other office-bearers, to instruct, progress and conclude investigations carried out in accordance with this protocol.”

“The Chair or office-bearer, in consultation with the other office-bearers, will decide whether to instruct an independent investigation or whether to carry out an internal investigation.”

“Where the potential breach relates to the Chair or other office bearer, an independent investigation will always be carried out.”

Typical conduct for Governing Body Members

Investigations – Internal & External

“**An internal investigation** will be carried out by three Members of the Governing Body, not including the Chair, who will make a report and recommendations to the Governing Body. They will be supported in the conduct of the investigation by the Director. ”

“**An independent investigation** will normally be overseen by the Chair and one other office bearer, with support from the Director. In the event that the alleged breach relates to the Chair, one of the other office-bearers will act to fulfil the responsibilities ascribed to the Chair.

The Chair and other office-bearer, with any support they feel necessary, will brief the agreed advisor/investigator and then consider their recommendations at the end of the investigation, before reporting to the Governing Body.”

Typical Protocol for dealing with a Breach

Independent Investigations

potential actions – on completion of the investigation

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

- Advice and assistance on how his or her conduct can be improved
- The offer of training or other form of support
- A formal censure
- A vote to remove the member from the board”

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

Typical Protocol for dealing with a Breach



Potential Breaches - Conduct at meetings

A committee member is found to be opening his notes at the start of each meeting and is obviously not preparing for meeting.

A board member is continually interrupting other board members, and on occasion swears during meetings.

Your committee decides on a 2% rent increase, one member strongly disagrees with the decisions and continually refers to this decision during future committee meetings

A board member makes racist remarks to another board member during a meeting

How would you deal with these situations?

Informing the regulator

“A breach of the Code is a Notifiable Event, The Chair is responsible for ensuring that the necessary notifications are made to the Scottish Housing Regulator as soon as any breach comes to light, and that the SHR’s requirements (as set out in the relevant guidance) in terms of reporting the outcome of the investigation are met.”

Typical “Code of Conduct for Committee members”

Points to remember

“Code of Conduct sets out the standards of conduct required by Governing Body Members.”

“You cannot be a member of the committee if you do not agree to adopt this Code of Conduct...**you must review and sign this Code annually.**”

“Code of Conduct applies to all elected, appointed and co-opted members of our committee and its sub-committees and to the committees of all subsidiaries ...”

Model code of conduct

What you will sign

4. Breach of this Code

- 4.1 I recognise that each member of the Management Committee has a personal and individual responsibility to promote and uphold the requirements of this Code. If I believe that I may have breached the Code, or I have witnessed or become aware of a potential breach by another member, I will immediately bring the matter to the attention of the Chair.

5. Acceptance and Signature

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

Signed _____

Date _____

Recent developments

SFHA recently revised **Model Code of Conduct**. This updated the policy to reflect data protection legislation, regulatory changes, increased use of social media, virtual meetings, etc.

It also has two key appendices, which are “Further Guidance for Governing Body Members” and “Model Protocol for Dealing with a Breach of the Code of Conduct”.

Other appendices including a “Flowchart summarising Protocol Process”, “Guidance for Implementing the Model Protocol” and a “Template Letter to Inform Governing Body Member of an Investigation”

**Model Code
of Conduct for
Governing Body
Members and
Accompanying
Guidance**

Updated 2021

Developed by Linda Smart on behalf of SFHA.
For further information or support from SFHA contact:
Alicia Taylor, Policy Lead, awt@sfha.co.uk

www.sfha.co.uk

sfha
Society's Federation of
Housing Associations
We are Housing Better

Code of
Conduct

Regulatory
Standards

Entitlements,
Payments &
benefits

Notifiable
events



Entitlements, Payments and benefits



Entitlements, Payments and Benefits

“policy is intended to be a practical document that supports us in meeting all of the above requirements, ensuring that **none of our people benefits improperly** or inappropriately from their involvement with us, **but also that they are not unfairly disadvantaged.**”

model policy: Entitlements, payments and benefits

Why is this important?

“policy that sets out what payments and benefits we permit and to ensure that these arrangements demonstrate transparency, honesty and propriety. We must ensure there is no justifiable public perception of impropriety.”

model policy: Entitlements, payments and benefits

Who does the policy cover?

- a) Members of Governing Bodies and of the Governing Body of any subsidiaries; and
- b) Everyone who works for an RSL or any of their subsidiaries
- c) Connected people (friends and family of the above)



What interests do you think you should declare?



Who should consider as “closely connected”?



Examples of interests

- Tenancy of a Rosehill property
- Occupancy or ownership of a property (by you or someone to whom you are closely connected) which is factored or receives services from HA
- Membership of the governing body of another RSL
- Being an elected member of Council
- If you purchase goods or services from Rosehill or from one of its contractors
- Significant shareholding in a company that we do business with (or are considering doing business with)
- Membership of other body whose interests and / or activities may affect our work or activities



Connected people

Connected people	
Group 1	Group 2
Members of your household	Partner, Relatives and Friends
<p>This includes:</p> <ul style="list-style-type: none">• Anyone who normally lives as part of your household (whether related to you or not)• Those who are part of your household, but work or study away from home	<p>This includes:</p> <ul style="list-style-type: none">• Your partner (if not part of the household)• Your relatives and their partners• Your Partner's close relatives (i.e. parent, child, brother or sister)• Your close friends• Anyone you are dependent on or who is dependent on you• Acquaintances (such as neighbours, someone you know socially or business contacts/associates)



Connected people

what is expected of members

“If you are aware of any action or involvement relating to **anyone** in the table then you should declare and manage this as soon as possible ... we do expect you to be familiar with the actions of members of your household (Group 1) and of any other people listed in the table above with whom you are closely associated and /or in regular contact ...

You are not expected to be aware of the actions of people in group 2 that you do not have a close association and/or regular contact with. We do not expect you to research into the employment, business interests and other activities of all persons with whom you are closely connected.”

Model Code of Conduct



Recording of payments / benefits

“...any payment or benefit made in accordance to ...this policy must be declared and recorded in the register of Payments and benefits...”

“...benefits must be declared and recorded in the Register of Payments and Benefits...”

“...Payments ...must be authorised and recorded in the register in advance of payment being made.”

model policy: Entitlements, payments and benefits

Why is this important?

Registering and declaring interests

“Where you have a personal, professional or financial interest in any matter that is relevant to our activities or is being considered (or is likely to be considered) by the organisation or a member of the Association, or you know that someone to whom you are closely connected has such an interest, **you must declare it promptly and record it in the Declaration of Interests Register**”

model policy: Entitlements, payments and benefits





Maintaining Registers

“The Director has overall responsibility for ensuring the Registers are maintained and reported on where appropriate.

The Association maintains 2 registers:-

- i) Gifts and Hospitality
- ii) Declaration of Interests”

Entitlements, Payments & Benefits – mode policy

*We will now discuss various payments and benefits,
and decide if they would be permitted and should an interest be declared?*



Human resources / recruitment	Is this permitted?	Would you need to declare an interest or take another action?
Payment / entitlements arising from a contract of employment		
Payment of a Governing Body member (GBM) for their role as a Governing body member		
Payments of expenses		
Provision of a loan by the organisation to one of our people		
The offer of employment to a GBM (or has been one in last 12 months) or a relation of a GBM		
The offer of employment to someone closely connected to a member of staff		
Appointment of one of our staff members to our GBM		



Our people as tenants or service users	Is this permitted?	Would you need to declare an interest or take another action?
The offer of a tenancy to one of our people or someone closely connected to them		
Receiving a payment of a decoration allowance		
<u>Training and events</u>		
Attendance at training events, seminars, conferences, etc		
The association paying for accommodation to attend a seminar or conference		
Attendance at an event to mark awards, achievements or other significant milestones		



Use of our contractors and suppliers

“In order to help maintain our excellent reputation, **where possible you should avoid using the organisation’s contractors / suppliers for your own personal purposes.** We have made a list available to all our people which outlines the contractors and suppliers that fall under the terms of this policy”

“we recognise that there may be certain circumstances ... in your local area make it difficult to obtain a reasonable selection of potential suppliers”

model policy: Entitlements, payments and benefits

One last thing about contractors / suppliers

The list of contractors / suppliers does not include:

- Those who only provide services of a small value (e.g. local window cleaners, sandwich shops) or
- Those with such a large national or local standing that no favour could ever realistically be gained (e.g. utility companies, BT, banks, etc.)

What you will sign



ROSEHILL HOUSING CO-OPERATIVE LIMITED DECLARATION OF INTERESTS FORM	
This form should be completed to record any interests you may need to declare under the Code of Conduct. Leave blank any boxes that are not relevant to the declaration you are making.	
Your Name	
Date of Declaration	
<u>Details of the Declaration</u>	
No interests which need to be declared (please tick the box opposite, then sign the form), <u>OR</u>	
Do you, your spouse/partner or any family members have any involvement with any business trading for profit that: <ul style="list-style-type: none"> • Currently works for Rosehill? • May seek work from Rosehill in future? If yes, please give details of the business involved, and the position (e.g. proprietor, manager, other employee) held by yourself or the person covered by the declaration	
Please give details if you are related to or have a close personal relationship with any of Rosehill Housing Co-operative's: <ul style="list-style-type: none"> • Employees • Committee members 	
Please give details if you are aware that you are related to any of Rosehill Housing Co-operative's: <ul style="list-style-type: none"> • Tenants/service users • Housing applicants 	

Please give details of any other positions of public responsibility you hold (for example, if you are an elected councillor, or on the committee of another housing association/co-operative)	
Please give details of any other voluntary or community organisations you are a member of, which have any dealings with Rosehill	
Is there any reason why this declaration should be regarded as confidential?	
Signed:	
Date:	

Recent developments

SFHA has developed a revised **Model entitlements, Payments and Benefits Policy**, which committees / board should be aware of. This updated the policy to reflect regulatory changes, changes to gifts and hospitality levels, etc.

It also now has three key appendices, which are “Entitlements, Payments and Benefits” (outlining what can and cannot be permitted and how they should be registered), the register of contractors / suppliers, and a “Schedule of Registers to be Maintained by RSLs”.

It also has an extensive introduction which discusses some issues committees and their members might face i.e. declaring and managing interests at virtual meetings, how to manage interest where someone has valuable expertise, where all of this fits with assurance statements, etc.

**Model Entitlements,
Payments and
Benefits Policy with
Accompanying
Guidance Notes**

Updated 2021

Created by Linda Green on behalf of SFHA,
For further information or requests from SFHA members
please contact: Policy Lead, policy@sfha.co.uk

www.sfha.co.uk

sfha
Society for Housing Associations

We are Housing Scotland

Code of
Conduct

Regulatory
Standards



Entitlements,
Payments &
benefits

Notifiable Events
& Whistleblowing

Regulatory Standards ...

“The RSL is open, co-operative, and engages effectively with all its regulators and funders, notifying them of anything that may affect its ability to fulfil its obligations. **It informs the Scottish Housing Regulator about any significant events** such as a major issue, event or change as set out and required in our notifiable events guidance.”

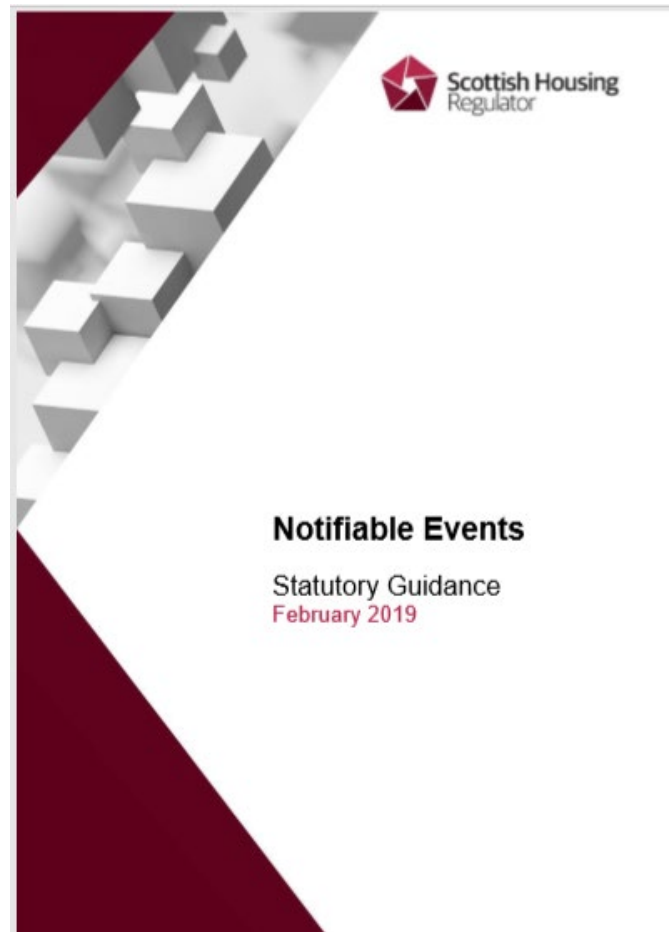
Regulatory Standard 2.4

“There are clear procedures for employees and governing body members to raise concerns or whistleblow if they believe there has been fraud, corruption or other wrongdoing within the RSL.”

Regulatory Standard 5.6



Notifiable events



- What are notifiable events?
- Who should notify the regulator and what about?
- What are the different types of notifiable events?
- When should you notify the regulator and what should you tell them?
- How do you report a notifiable event?
- What might the regulator do?



Who should notify the SHR?
What type of events do you think
should be reported?

Who should notify the SHR?

- The senior member of staff for issues relating to
 - ...**performance and service delivery**
 - ...**financial issues and funding issues**
- The chair for **governance or organisational** issues

Governance and organisational issues

- Any material change to assurance statement submission
- Removal of governing body members
- Resignation of governing body members for non-personal reasons
- Resignation or dismissal of the RSL's chief officer
- Severance payment / settlement agreement with staff member
- Breaches of the Code of Governance
- Whistleblowing allegations
- Etc.



Performance and service delivery issues

- Any incident involving the Health & Safety Executive or a serious threat to tenant safety
- Serious accidental injury to, or the death of a tenant in their home or communal areas
- Major failure of key service delivery arrangements (i.e. contractor goes into liquidation)
- Adverse reports by statutory agencies, regulators, etc.
- Significant natural disasters (i.e. Fire, flood, building collapse)
- Etc.



Financial and funding issues

- Fraud or the investigation of fraud either internally, by the Police or by an external agency or organisation
- Breach or potential breach of any banking covenants
- Serious financial loss; actual or potential
- Default or financial difficulties of major suppliers or service providers
- Serious concern raised by lenders or auditors
- Serious and imminent potential cash flow issue
- Etc.

What is a serious event?

“We appreciate that whether an event is ‘serious’ or ‘significant’ may depend on factors such as the size or complexity of the RSL; so each RSL should consider the risk and potential impact on the organisation when deciding whether an issue is a notifiable event. If you are unsure whether an event is a notifiable event, please contact us and we will be happy to give further guidance.”

Notifiable events – Guidance Note

If in doubt notify!

Latest News

Melville Housing Association chief executive Andrew Noble announces retirement



Andrew Noble is to retire from his position as chief executive of Melville Housing Association, following a quarter of a century's stellar service to the social housing sector.

When would you report this?

What would you need to tell the regulator?



Have you had any notifiable events which you have had to report?



Some NEs (from my work with RSLs)

- A committee member observed a fellow committee member making racist remarks during an external conference*
- The contractor who provided the majority of maintenance support for an association went bankrupt*
- An association became aware of a health and safety risk in a block of flats, sorted the issues and then told the SHR 3 weeks later*
- A tenant was found dead in a sheltered housing property, it was approximately a week before they were found*
- A committee member was accused of attempted murder*

When should you notify?

“RSLs should alert us to a notifiable event as soon as is reasonably practical. Sometimes this will mean alerting us before an event happens so that we have an early warning. There should be no delay, for instance, until after a scheduled governing body meeting ...

We would not expect an event to be completely concluded before you alert us to it.”

Notifiable events – Guidance Note

What information do the SHR need?

- What the significant event is
- When it happened or is going to happen
- Who is involved and/or affected **and**
- What the RSL is planning to do or what action it has already taken

How do you inform the SHR?

This is now done (since early 2016) on-line through the landlord portal and there are instructions on-line at the SHR site. Chair or CEO will be asked to complete a template which sets out all the information you need to provide about the specific type of event you are reporting



What may the SHR do?

If they are satisfied with the course of action the RSL is taking that will be sufficient, however:

- They may inform, or ask the RSL to inform, another regulator or authority if appropriate
- They may ask the RSL to get specialist advice, e.g. legal, financial, and offer advice
- They may reconsider regulatory engagement and thus alter regulation plan

Failure to notify

“If you fail to notify us, or delay notifying us, about a significant event affecting your RSL, and it comes to our attention by other means, we will ask you why you failed to notify us. Following this, if we have concerns about the event or the explanation, we will consider if we need to take any regulatory action”

Previous Guidance Note - The Scottish Housing Regulator

Ensuring senior staff and board members are aware of Notifiable events

“No matter how an RSL chooses to reflect notifiable events within its policies and procedures, senior staff and governing body members should understand the notifiable events process, and assure themselves, and us (SHR), that they are complying through their Annual Assurance Statement.”

“If an RSL staff member, or governing body member is aware of a notifiable event which has not been submitted to us, they should report it within the organisation through the RSL’s whistleblowing policy. If that is not possible, or the attempt to report internally has been unsuccessful, they can whistleblow to us.”

Notifiable events – Guidance Note

- What are notifiable events?
- Who should notify the regulator and what about?
- What are the different types of notifiable events?
- When should you notify the regulator and what should you tell them?
- How do you report a notifiable event?
- What might the regulator do?



Whistleblowing



Whistleblowing what the Regulatory Framework says



“Have effective arrangements and a policy for whistleblowing by staff and governing body/elected members which it makes easily available and which it promotes.”

Requirements for Local authorities and RSLs

How would you feel if you had to whistleblow?

Would it feel different for staff members

Would you have any reservations? What might hold you back?

Protection for whistleblowers?

“As employees are often the first to realise that there may be something seriously wrong, we (XXHA) expects those who have serious concerns about any aspect of our work to come forward and speak up **without fear of reprisal**. Therefore, we recognise that it is an important aspect of accountability and transparency to provide a mechanism to ensure that **no employee, board member or stakeholder of ours feel at a disadvantage in raising legitimate concerns.**”

“The Public Interest Disclosure Act, 1998, **gives legal protection to employees against being dismissed or penalised by their employers** as a result of publicly disclosing certain serious concerns”

“Employers may also be held vicariously liable for workers who victimise colleagues for making a disclosure. We will take all reasonable steps to protect our staff from being victimised”

Typical Whistleblowing policy

What is a policy for?

“...to enable our staff to raise concerns internally and at a high level to disclose information that the individual believes shows malpractice or impropriety.

A number of policies are already in place, including dignity at work, and disciplinary and grievance procedures. This policy is intended to cover concerns that are in the public interest and may (at least initially) be investigated separately, but may lead to the instigation of other procedures.

Typical Whistleblowing policy

What type of concerns should be raised?

“These concerns might include:

- Financial malpractice, impropriety or fraud
- Failure to comply with a legal obligation or Statutes
- Dangers to health and safety or the environment
- Criminal activity involving us, our staff, board member(s) or stakeholders
- Professional malpractice
- Improper conduct or unethical behaviour
- Abuse of power or status
- Deliberate attempts to conceal any of the above

Typical Whistleblowing policy

Whistleblowing Guidance



Whistle blowing

The regulator has published a fact sheet on Whistleblowing which allow staff or senior staff to report any serious concerns which they might have either internally or to the SHR. These can include:

“conduct that affects

- others: for example, fraud or
- a failure to comply with health and safety requirements.” **and / or**

“because they have a strong sense that something they have seen or heard in their workplace is not right, ethical, or compliant with workplace regulations and rules.”

Whistleblowing – initial steps

- In all, but the most serious cases the SHR would expect concerns to be raised internally before they are involved.
- They can also protected the identity of whistleblowers.
- Once someone has “whistleblown” we (SHR) will talk to them to find out if they reported the issue internally and where possible to ask for evidence
- The SHR may take no further action if they are satisfied with action taken by the RSL or they consider the matter to be vexatious

Whistleblowing possible actions

“we (SHR) might ask the governing body to investigate the matter (normally by the governing body engaging someone independent and so fully objective);

- we might ask the governing body to get independent advice or support to help them to deal with the situation;
- we might carry out an investigation (planned or unannounced);
- we might refer the matter to another regulator, for example, the Care Inspectorate or Audit Scotland, because the matter falls within their regulatory remit; **or**
- we might report the matter to the police because we think that a criminal offence may have been committed.”
- “Where we consider regulatory engagement with an RSL is necessary then we will publish a engagement plan which will explain the reasons for, and nature of, our engagement.



What we have covered

- The Role of the Scottish Housing Regulator - an overview
- Code of Conducts and dealing with conflicts of interest
- Notifiable events – an overview
- Whistleblowing – an overview

Any last questions?

