

For Decision/Approval

Agenda Item: 11.2
Meeting Date: 21/01/26

To: The Management Committee
From: The Director
Subject: Revised Model Entitlements, Payments and Benefits Policy (EPB Policy)

1. Introduction and Purpose

- 1.1 As Committee is aware our E,P,B Policy was due for review last year and was originally scheduled for review, as per the Policy Review Timetable, for January 2025. However as reported at the time the model Policy which is produced by SFHA was still in the process of being revised and it was anticipated that it should be available for publication by March/April of last year.
- 1.2 Committee is also aware that I have kept it updated with the progress in obtaining the revised model Policy. I am pleased to report to Committee that the revised Model Policy was received on 8th January 2026.
- 1.3 The purpose of this report is to present the revised Model Policy and Guidance for its consideration. The following are attached:
 - SFHA Model Revised Policy – track change version
 - Revised SFHA Guidance – track change version
 - SFHA Model Revised Policy – clean version with Rosehill Changes (highlighted in yellow)
 - Revised SFHA Guidance – clean version
- 1.4 The Committee is asked to approve the Revised Policy (3rd attachment) including the changes made to reflect Rosehill's specific circumstances. Committee is asked to note that the associated guidance is for internal use only and will not be published.

2. Revised SFHA Model Entitlements, Payments and Benefits Policy

- 2.1 Committee will see from the first attachment the various changes being made to the Guidance and Model Policy. It is not my intention to repeat these here. However, I would draw Committee's attention to the inclusion of some new aspects being covered in the guidance e.g. awarding

contracts to connected people; financial limits; safeguards; notifiable events and key principles and aims.

- 2.2 In terms of the Model Policy, some of the revisions appear to bring clarity or reinforce the importance of aspects of the Policy e.g. para 1.8 has been extended to state it is the individual's responsibility to ensure the Register of Interests is up-to-date. Under Section 2 – Managing your interests, there has been additional information added to para 2.2. This is to make it clear that a committee member with an interest in a matter being considered at meetings must withdraw from discussions and take no part in the decision making. It also provides clarity that this does not relate to committee members who are tenants where the matter being considered is in relation to policy implementation and affects all or a substantial number of tenants and gives an example of the rent increase. However, it clearly states that the requirement to withdraw relates to matters in which someone affected by the policy has an individual interest e.g. where they are the tenant of a property that is being considered for exceptional treatment (e.g. associated with RAAC) and that a decision will have an individual and personal impact on them. Para 2.3 is a new para and quotes constitutional standard 23 and includes a statement to confirm the model policy has been endorsed by SHR and therefore complies with regulatory requirements. A new section 5 has been added relating to granting a tenancy.
- 2.3 In terms of the clean version of the model Policy (3rd attachment) any changes I have made have been highlighted in yellow. These in the main relate to updating the numbering reference to the rules, our numbering is slightly different. Also have amended the names of policies referenced in the model to reflect the names of our policies.
- 2.4 The model allowed for changes to be made to certain references to reflect the local circumstances of each RSL e.g. whether governing body is referred to as a Committee or Board and members as Committee Members or Boards Members. I have updated these references to reflect our set up of a Committee and Committee Members. These have not been highlighted.
- 2.5 Under Appendix 1 which sets out the permitted/not permitted payments and benefits, there are 3 areas where it has the option of Yes or No in terms of whether the matter can be permitted. I would advise as follows:
- 6.2 – Payment to a Committee Member for their role as a committee member. I have put “No” for this as Committee previously decided that Committee Members shouldn't be paid. When the model rules were being considered as part of the constitutional review, the optional rule 38.4 (in

our case it would have been 37.4) about paying Committee Members would have had to been adopted and it wasn't.

6.8 – Appointment of one of our staff to the Committee. Again I have put “No” to this because we didn't adopt the optional rule to permit a specified number of staff to be appointed as executive members to the Committee, as part of the constitutional review.

6.10 – Nominations to join the Committee from people who are connected to a serving member. I have put “yes” to this. At the time of the constitutional review and consideration of the Model charitable rules, we had 2 committee members who were related (but not living in the same house) and had not experienced any issues with this. As such we proposed a variation to the optional rule (our rules referencing would be rule 42.1.12) which was approved by the Financial Conduct Authority and states that “a person will not be eligible to be a committee member and cannot be appointed or elected as such if:

He/she lives at the same address as a Committee Member.” (42.1.12)

- 2.6 Committee is asked to consider the changes to the guidance and model Policy, including the non-material changes I have made and approve the revised Model Policy.

3. **Associated Policies**

- 3.1 As Committee is aware the delay in the Model E,P,B Policy being revised and subsequently published meant we had to, not only delay the review of our own E,P,B Policy but other associated Policies. The main ones relate to our Declaration of Interests and Gifts and Hospitality Policies. These will now be reviewed, in accordance with the newly revised E,P,B Policy and if the proposed changes are material, they will be presented to Committee at its March meeting for consideration and approval.

4. **Risk**

- 4.1 We have considered the risks relating to entitlements, payments and benefits and, have identified the key risks under the following risk categories and the measures we have taken to mitigate such risks.

Risk Category	Mitigating Measure
Governance: Policy does not comply with legal and regulatory requirements	It is a Model Policy produced by SFHA and has been endorsed by The Regulator;

	Only non-material changes have been made by Rosehill to the policy e.g. referencing of various parts of the rules – numbering has been changed to reflect the numbering in our Rules.
Legal and Regulatory: As above	As above
People: Committee, staff unclear of requirements of E,P,B Policy	<p>Committee required to review and approve the Policy.</p> <p>The revised policy is then available to committee on the resources section of the board portal.</p> <p>The Policy is also shared with staff and made available on the staff policy library.</p> <p>Refresher training on knowing the codes (sessions for committee and staff) which covers the E,P,B Policy is carried out on a 2 yearly cycle. However, proposing to change this to annual.</p>

5. Delivery of our Strategic Objectives

Area	Related Strategic Objective(s)
Adoption of revised Model Entitlements, Payments and Benefits Policy	7) Achieve the highest standards in all that we do

6. Application of our Core Values

Area	Related Core Value(s)
Adoption of revised Model Entitlements, Payments and Benefits Policy	<ul style="list-style-type: none"> • Accountable and Compliant • Efficient and Responsible • Excellent and Committed

7. Compliance and Assurance

- 7.1 By adopting the revised Model Entitlements, Payments and Benefits Policy ensures we are compliant with Regulatory Requirements as The Regulator has endorsed the Model Policy and our constitutional requirements.

Compliance Source	Details
Rosehill Rules (based on SFHA Charitable Model Rules 2020)	<p>Rule 37.1 - The Committee shall set and periodically review its policy on payments and benefits. If a person is a Member, employee of the Association or serves on the Committee or any sub-committee he/she must not receive any payment or benefit unless it is permitted by the policy. In making any payment or conferring any benefit the Association shall act at all times with transparency, honesty and propriety.”</p> <p>Rule 37.2 - If a person serves on the Committee or any sub-committee he/she must declare any personal or other external interests on an annual basis in accordance with the Association's Code of Conduct for Committee Members. If while serving on the Committee that person has any conflict of interest in any contract or other matter about to be discussed at a meeting, he/she must tell the Committee. He/she will be required to leave the meeting while the matter is discussed and will not be allowed to vote on the matter or to stay in the meeting while any vote on the matter is being held. If that person is inadvertently allowed to stay in the meeting and vote on the matter, his/her vote will not be counted.</p>
Regulatory Framework (2024)	<p>Constitutional Standard 23 – There is a clear process to identify and address any conflicts of interest on the governing body.</p>
The Standards of Governance and Financial Management for RSLs	<p>Standard 1 - The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.</p> <p>Guidance 1.3 - The governing body ensures the RSL complies with its constitution and its legal obligations.</p>

	<p>Its constitution adheres to these Standards and the constitutional requirements set out below.</p> <p>Guidance 1.6 - Each governing body member always acts in the best interests of the RSL and its tenants and service users, and does not place any personal or other interest ahead of their primary duty to the RSL.</p> <p>Standard 5 – The RSL conducts its affairs with honesty and integrity</p> <p>Guidance 5.4 – Governing body members and staff declare and manage openly and appropriately any conflicts of interest and ensure they do not benefit improperly from their position.</p>
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7.2 Evidence Bank

Evidence	Assurance Exercise Location
<ul style="list-style-type: none"> • Cover Report • Revised Model E,P,B Policy 	<p>Regulatory Standard 1 – Guidance 1.3 and 1.6</p> <p>Regulatory Standard 5 – Guidance 5.4</p>

7.2.1 Committee is reminded that our Assurance Exercises are available in the Committee Log-in Area of our website, which Committee can access at any time.

8. Summary

8.1 As Committee is aware the revised Model Policy produced by SFHA on Entitlements, Payments and Benefits was delayed and therefore impacted on our ability to review our Policy last January and it has been on hold until the revised model was available. I am pleased to report that I received a copy of the revised model on 8th January.

8.2 The revised model policy is accompanied by revised guidance which will not be published along with the policy, once approved by Committee. Attached are track change versions of the policy and guidance and a

clean version of both. In terms of the clean version of the revised model policy, I have made some non-material changes which I have highlighted in yellow. These relate in the main to updating the numbering reference to the rules, as our numbering is slightly different from the model rules and, to update policy references to our specific policies.

- 8.3 A summary of some of the changes to the guidance and model policy are covered in Section 2 but Committee is advised to read through the track change versions for more detail. Section 2 also sets out the changes to Appendix 1 relating to payments, benefits which are and are not permitted. There are three areas where there is an option for Yes or No to whether the matter is permitted or not.
- 8.4 There are associated policies (namely Declaration of Interests and Gifts and Hospitality Policies) that now need to be revised following the publication of the revised Model E,P,B Policy by SFHA. These policies will now be reviewed and if any changes proposed are material they will be brought to the March Committee meeting for consideration and approval.
- 8.5 The associated risks are considered at Section 4.
- 8.6 Section 5 shows how adopting the revised Model Entitlements, Payments and Benefits Policy contributes to the delivery of our strategic objectives.
- 8.7 Section 6 shows how adopting the revised Model Entitlements, Payments and Benefits Policy contributes to the application of our core values.
- 8.8 Section 7 shows how we are compliant with regulatory and constitutional requirements.
- 8.9 Committee is asked to consider the revised Model Entitlements, Payments and Benefits Policy and the accompanying guidance and approve the revised Policy.