



ENTITLEMENTS, PAYMENTS and BENEFITS POLICY

Policy Owner	Director of Group Finance & Business Support
Document Author(s)	Group Business Support Manager
Approved By	Harbour Homes Board
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Review Cycle	3 years
Communication & Training Methods	Induction Team Meetings
Is a mandatory read required?	NO
Does this policy require to go on the website?	YES
Who does this policy apply to eg GROUP or ENTITY NAME(S) NB if not all, check there is a separate policy in place	GROUP including all Board Members
The Policy has a direct link to the following Harbour policies and procedures If there are separate procedures which require to be attached to the policy in DocTract, please ensure these are reviewed at the same time and also provided.	• Code of Conduct for Governing Board Members and Involved Customers • Whistleblowing Policy • Procurement Policy
This policy complies with the requirements of these legal and/or regulatory documents	• Scottish Housing Regulator Regulatory Framework (February 2019): Regulatory Standards 5.4 • Office of the Scottish Charity Regulator Guidance and Good Practice for Charity Trustees (June 2016)
Equality & Diversity Impact (EI) Assessment Status	This document was EDI Assessed by using the organisation's set procedure in and is considered to be free of anything which may lead to any unfair discrimination in its application. EI Assessment records are held by the Group Business Support team and can be accessed on request to the Group Business Support Manager.

Data Protection Considerations	Our policies and procedures foster an approach of 'data protection by design and by default' In practice it means that our policies and procedures consider data protection issues, ie how to protect the data subject served by the policy or procedure; New systems, services, products and business practices involving personal data are designed and implemented to ensure personal data is protected by default; Data protection principles and safeguarding of individuals' rights are clear in the policy or procedure; And that if the policy or procedure aims to provide service to vulnerable groups (eg children) that the personal data is treated with extra protection.
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1. BACKGROUND

- 1.1 The Scottish Housing Regulator's Regulation of Social Housing in Scotland Framework includes as part of Standard 5 that "The RSL conducts its affairs with honesty and integrity" and specifically in Standard 5.4 states:

"Governing Body Members and colleagues declare and manage openly any conflicts of interest and ensure they do not benefit improperly from their position"

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

2. POLICY STATEMENT

- 2.1 Harbour requires all Governing Body Members and colleagues to act ethically at all times. This includes taking personal responsibility for not using their position in the organisation for their own personal gain or for the gain of any person closely connected to them. (Details of who is considered a "connected person" are laid out in **Appendix 1**).
- 2.2 Harbour will allow Governing Body Members and colleagues to receive the payments and benefits set out in this policy document.
- 2.3 Harbour is committed to transparency, honesty and propriety and has set out in this document procedures that Governing Body Members and colleagues are expected to follow to ensure the affairs of the organisation are conducted in a way that is concurrent with these values.
- 2.4 Harbour holds a Register of Interests and requires all Governing Body Members and colleagues to enter into this document any involvement they have with external organisations.
- 2.5 Where anyone is in any doubt about the interpretation or application of any parts of this document it is expected they will consult with the Chair of the Board of Management or the Group Chief Executive prior to making any commitments or actions that may come under the policy framework.

3. WHO IS REQUIRED TO COMPLY WITH THIS POLICY

- 3.1 This policy is aimed at people who are:
- Board Members of our governing body and of the governing body of any of our subsidiaries
 - Everyone who works for us or any of our subsidiaries, whether employed directly or otherwise eg colleagues employed via an agency

4. RESPONSIBILITIES UNDER THE POLICY

4.1 Board of Management Members

- 4.1.1 All members of the Boards of Management of Harbour and its subsidiary companies are required to comply with the content of this policy at all times.
- 4.1.2 The Harbour Homes Board of Management is responsible for ensuring this policy is kept up to date in line with legislative and regulatory requirements and for ensuring it is implemented by the Boards of subsidiary companies as well as by the Harbour Group Leadership Team.
- 4.1.3 The Boards of Management of all subsidiary companies are responsible for ensuring the implementation of this policy in that company.
- 4.1.4 All Governing Body Members are expected to report any suspected breach of this policy to the appropriate Chair and the Group Chief Executive.

4.2 Directors

- 4.2.1 Directors are required to comply with the content of this policy at all times.
- 4.2.2 Directors are responsible for ensuring the effective communication of this policy to all employees.
- 4.2.3 Directors are responsible for ensuring any breaches of this policy are effectively dealt with.

4.3 RSL and Business Support Managers/Line Managers

- 4.3.1 RSL and Business Support Managers/Line Managers are required to comply with the content of this policy at all times.
- 4.3.2 RSL and Business Support Managers/Line Managers will be required to ensure all colleagues they manage are aware of and understand the content of this policy.
- 4.3.3 They will be required to monitor the activities of colleagues, where it is practical to do so, and make appropriate interventions to prevent breaches of this policy
- 4.3.4 RSL and Business Support Managers/Line Managers are to report any suspected breaches of this policy to the relevant Director and take part in managing any breaches of the policy.

4.4 Other Colleagues

- 4.4.1 All other colleagues, including agency colleagues are required to comply with the content of this policy at all times.
- 4.4.2 They will be expected to report any suspected breaches of this policy to their line manager immediately.

5. POLICY FRAMEWORK

5.1 Declaring, Registering and Managing Interests

- 5.1.1 Colleagues must record in Harbour's **Register of Interests** involvement with external organisations that they, or any connected person, have which is relevant to our business. They are required to confirm annually that their entry is accurate and up to date.
- 5.1.2 The Register of Interests will be managed by the Group Business Support Team and can be accessed by contacting the Group Business Support Manager.
- 5.1.3 It is each individual's responsibility to keep their entry in the Register of Interests up to date by contacting the Group Business Support Manager and amending entries whenever this is required.
- 5.1.4 An Annual Survey of Interests will be carried out each year by the Group Business Support Team and all colleagues are required to submit a return. Failure to do so will be treated as misconduct unless an exemption is given by a Director who must inform the Group Business Support Manager of their decision and reason for it in writing.
- 5.1.5 Where colleagues have an interest that may impact on a matter that is going to be discussed or considered at a meeting, they must declare their interest at the start of the meeting and play no part in the discussion of that item. They must withdraw from any part of a meeting where the interest arises.
- 5.1.6 For Board Members, the ***Code of Conduct for Governing Board Members and Involved Customers*** contains a section on Declaring Interests that should be complied with at all times.

5.2 Handling Offers of Gifts

- 5.2.1 No Board Member or colleague should ever accept an offer of cash as a gift for any reason under any circumstances.
- 5.2.2 Offers of small gifts of a value less than £10 per year may be accepted where it is appropriate to do so. Any acceptance of such gifts must be recorded in a **Register of Gifts and Hospitality**. Any gifts that are of a value greater than £10 should be handed into Group Business Support and be donated to the organisation's charity fund raising activities.
- 5.2.3 Promotional items with a value less than £10 offered at events, for example conferences, training events, seminars, etc may be accepted with no requirement to log in the Register of Gifts and Hospitality.
- 5.2.4 Where it is considered that to refuse a gift of a higher value than £10 would cause offence or otherwise damage to Harbour's reputation then these gifts may be accepted under the following criteria:
- the donor is informed that the gift will be donated to charity or be used in the organisation's charity fund raising activities; and
 - the recipient must record the acceptance of this gift and the decision/action taken to manage the use of the gift within five days of receipt.
- 5.2.5 Gifts should not be regularly accepted for three or more years from external contractors, suppliers or other commercial organisations and not more than once every 12 months unless there is a very good reason to do so. Where more than

one gift is offered in a 12 month period and there is any thought of accepting it, this should be authorised by a member of the Group Leadership Team and authorisation must be in writing. Where gifts are accepted for three consecutive years from the same source, Group Leadership Team must review any further gift offers and agree if further gifts should be accepted and for what period of time. These decisions should be recorded in the Register of Gifts and Hospitality.

- 5.2.6 Gifts from tenants may be accepted on a recurring basis provided this is not excessive and these are recorded in the Register of Gifts and Hospitality. It is expected colleagues will use appropriate professional judgement to ensure that the number and type of gifts accepted from customers are reasonable and any concerns are discussed with an appropriate senior manager. Sheltered Housing colleagues can choose to either donate any gifts in excess of the value of £10 either to the organisation's chosen charity or to one of the sheltered housing schemes charity fundraising activities.

5.3 Handling Offers of Hospitality

- 5.3.1 Routine hospitality provided as part of an organised meeting, conference or other such event which a Board or colleague is attending in the course of carrying out their role is not required to be recorded in any way.
- 5.3.2 Offers from external bodies of any kind of free hospitality which could be construed as an inducement to gain favour or reward for something done must be refused.
- 5.3.3 Offers from external bodies of any kind of free hospitality which can be evidenced as not providing the risk of being construed as an inducement to gain favour or reward for something done, must be considered very carefully and only be accepted with the authority of a member of the Group Leadership Team.
- 5.3.4 For colleagues, in the circumstances of para 5.3.3 above, any attendance at an event or activity offered by an external body with a value of up to £50 can be accepted with the authority of an appropriate member of the Group Leadership Team.
- 5.3.5 For the Group Chief Executive, in the circumstances of para 5.3.3 above, this must be agreed with the Chair.
- 5.3.6 For Governing Body Members, in the circumstances of para 5.3.3 above, this should be agreed by the Chair and Group Chief Executive or the full Board.
- 5.3.7 Any attendance at an event or activity with a value above £50 will have to be authorised at Board level either by the Chair, Vice Chair or full Board depending on circumstances of timing and appropriateness.
- 5.3.8 Authority must be given in writing and the event recorded in all cases in the Register of Gifts and Hospitality.

5.4 Attendance at Award Events

- 5.4.1 Governing Body Members and colleagues may attend award events when it is deemed appropriate to do so and where cost of attendance is considered to be reasonable against the value of attendance.

- 5.4.2 Colleagues are required to obtain permission in writing to attend any such events from an appropriate member of the Group Leadership Team for events with a cost or value up to £500. Any events where the cost or value is in excess of £500 will require approval from the appropriate Chair or full Board.
- 5.4.3 The Group Chief Executive will be expected to obtain permission from the Harbour Group Chair to attend relevant events and, where appropriate, the full Board. The Chair will have the discretion to decide on any circumstance where full Board approval is needed.
- 5.4.4 Board Members will need the authority of the Chair or full Board to attend any events where the cost or adjudged value is over £500.
- 5.4.5 All attendances at award events paid for by an external organisation must be recorded in the Register of Gifts and Hospitality.

6. USE OF CONTRACTORS AND SUPPLIERS WITH CONTRACTS WITH THE ORGANISATION AND ITS SUBSIDIARIES

- 6.1 Board Members and colleagues should avoid using any businesses who have contractual arrangements with Harbour and its subsidiaries to provide them with goods or services where it is practical to do so. A **Key Contractor List** will be available at all times and can be accessed through the Group Business Support Team.
- 6.2 In the event colleagues use a Contractor on the organisation's Key Contractor List then you will need to register your use of that company in the **Contractor Use Register** detailing what work you had done, why you chose to use the same supplier as Harbour and the payment terms that were applied.
- 6.3 Failure to log work you commission with any supplier on the Key Contractor List will be considered misconduct. Any indication that your role with the organisation has influenced the application of preferential payment terms will be viewed as gross misconduct and dealt with accordingly.

7. ENTITLEMENTS AND PAYMENTS TO GOVERNING BODY MEMBERS

7.1 Emoluments for Governing Body Members

- 7.1.1 Harbour does not engage in the practice of providing emoluments to Governing Body Members who all act in their roles in a voluntary capacity.
- 7.1.2 Should the Governing Body chose to change this practice any emoluments paid must comply with the conditions set out in Section 67(3) of the Charities and Trustees Investment (Scotland) Act 2005.

7.2 Sundry Expense Payment for Governing Body Members

- 7.2.1 Governing Body Members will be entitled to payment for expenses incurred in carrying out their role. The full details of what can be claimed are set out in the **Board Member Guidance to Claiming Expenses** which is available through the Group Business Support Team.

8. ENTITLEMENTS AND PAYMENTS TO EMPLOYEES

8.1 Entitlements and Payments Related to Terms and Conditions of Employment

8.1.1 All entitlements arising from terms and conditions of employment set out in the **Staff Handbook** or that of one of our subsidiaries is always permitted without the need to record or register them in any way. These include (but are not restricted to):

- Payment of salary to employees;
- Access to car or travel loans, salary advances or car allowances;
- Pension and/or private health care provided as part of the remuneration package;
- Performance related pay or bonus awarded in accordance with contractual terms;
- Books and equipment in connection with employment or training in accordance with agreed policies and/or contractual terms;
- Reimbursement of professional fees;
- Cycle to work scheme or other such salary sacrifice arrangements.

8.2 Redundancy Payments

8.2.1 Redundancy payments will be made where this is required in line with the **Redundancy Policy** and legislative requirements.

8.3 Voluntary Settlement Payments

8.3.1 Voluntary Settlement Payments can be made providing:

- It arises directly from a decision to terminate the employee's contract of employment;
- Payment is approved in line with the Scheme of Delegation;
- Payments adhere to SHR Regulatory Standards 5.7 and 5.8
- That the total sum of the non-contractual payment and benefit does not exceed, in the opinion of our employment 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
- That this payment is instead of (rather than additional to) any redundancy entitlement.

8.4 Provision of Loans

8.4.1 This is not permitted unless in connection with the contractual terms of employment. We cannot make any other loans to individuals.

9. DEALING WITH PROCUREMENT RELATED ISSUES

9.1 Harbour will not enter into contractual relationships with any business where a Governing Body Member, employee or known connected person has significant control except in exceptional circumstances. This will only be considered where:

- The person affected by this policy is not involved in any part of the procurement process or decision;
- The appointment is approved by the Governing Body which is satisfied that the appointment is reasonable in the circumstances; and
- There is no reasonable alternative (eg because of geography or the specialist nature of the goods/services).

10. HANDLING OTHER AREAS WHICH COULD BE PERCEIVED AS BENEFITS

- 10.1 A list of main areas where issues of probity might be challenged are listed in **Appendix 2** of this document. This is unlikely to be exhaustive and Governing Body Members and colleagues are expected to use good professional judgement and raise any areas of concern they identify with the relevant Director.

11. DEALING WITH POLICY BREACHES OR FAILURES TO CARRY OUT RESPONSIBILITIES

- 11.1 In a situation where there is a suspected breach of the policy or failure to carry out the responsibilities detailed by a Board Member, this will be dealt with under the Code of Conduct for Governing Board Members and Involved Customers.
- 11.2 In a situation where there is a suspected breach of the policy or failure to carry out the responsibilities detailed by a colleague this will be considered misconduct and be dealt with using the appropriate Disciplinary Policy.

12. POLICY & PROCEDURE EFFECTIVENESS ASSESSMENT CRITERIA

- 12.1 The Group Leadership Team will review and update the policy in the light of practice and any changing regulatory requirements.

13. REFERENCES

- 13.1
- Staff Register of Interests
 - Boards Register of Interests
 - Register of Gifts and Hospitality
 - Key Contractor List
 - Contractor Use Register
 - Board Member Guidance to Claiming Expenses
 - Whistleblowing policy
 - Staff Handbook, including Disciplinary Policy and Redundancy Policy
 - Procurement

<https://www.scottishhousingregulator.gov.uk/publications/how-we-regulate-guide-tenants-and-service-users> Regulatory Framework | Scottish Housing Regulator (February 2019)

APPENDIX 1

PEOPLE CONNECTED TO YOU

As well as considering their own actions, Governing Body Members and staff must be aware of the potential risk created by the actions of people with whom they are closely associated.

For example, where someone close to them is entering into an agreement with Harbour, or they have significant involvement with one of our suppliers, they must follow the terms of this policy.

Governing Body Members and staff are expected to make reasonable efforts to ensure they are aware of actions or involvement by anyone with whom they are closely associated that comes under the terms of this policy, while applying logic and sound professional judgement to assess situations within which these are happening.

There are three groups of people that need to be considered in respect of the application of this policy as identified in the table below.

Group 1 Members of your household	Group 2 People closely associated with you	Group 3 Others you need to consider
This is defined as: Anyone who normally lives as part of your household, whether they are related to you or not, including: spouses/partners who work away from home and sons and daughters who are studying away from home.	These are defined as: 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 on whom you are dependent. Close friends.	These are defined as: Other relatives; uncles, aunts, nieces, nephews and their partners. Other friends: someone you are acquainted with socially; neighbours; business contacts/associates.
You must always declare any issues, covered in this policy, which are affected by people in the above group.	If you are in regular contact with people listed in the above group, you should declare any issues, covered in this policy, involving them.	We expect you to exercise sound judgement and a logical approach when deciding if there is a need to declare any issues relating to people covered by the list above.

We recognise that Governing Board Members and staff will not always be closely acquainted with or in regular contact with all of the people listed in the table above and we do not expect them to go to unreasonable lengths to identify areas they are involved with that are covered by this policy. However, we do expect our people to be familiar with the

actions of members of their household (Group 1) and of any other people listed in the table above with whom they are in regular contact.

OTHER SITUATIONS WHERE BENEFITS MAY BE PERCEIVED

SITUATION OR ISSUE	CAN THIS BE PERMITTED?	FURTHER ACTION NECESSARY BEFORE THIS WILL BE PERMITTED?
Making an offer of employment (temporary or permanent) to someone who is closely connected to a member of staff	Yes	This is permitted as long as: • There has been an open recruitment exercise in accordance with our policy that you have not played any part in and • You have no direct or indirect line management or supervision responsibility for the post and • The offer of employment complies with our policy and is approved by the Group Chief Executive • You record your connection to the successful applicant in the register within five days of their acceptance of the offer.
Making an offer of employment to someone who is, or has been in the last 12 months, a member of our Governing Body or to anyone who is related to a member of the Governing Body	No	This cannot be permitted
Appointing one of our ex-staff members to the Governing Body	No	This cannot be permitted in accordance with the Rules of Harbour Homes .
Accepting nominations to join the Governing Body from people who are connected to a serving member.	No	This cannot be permitted in accordance with the Rules of the organisation.
Offering a tenancy or lease in one of our or any of our subsidiaries' properties to a Governing Body member, employee or connected person.	Yes	This is permitted as long as • It is in accordance with our published allocations policy and • Neither the applicant or anyone connected to the applicant is involved in any way or in any part of the allocation process and • The offer is approved by the Governing Body in advance and • The tenancy is recorded as an interest in the appropriate register within five days of the tenancy commencing

SITUATION OR ISSUE	CAN THIS BE PERMITTED?	FURTHER ACTION NECESSARY BEFORE THIS WILL BE PERMITTED?
Carrying out repairs, improvements or adaptations to the home of a tenant who is a Governing Body member, employee or connected person.	Yes	Repairs carried out in accordance with Harbour Homes' policy do not need to be recorded. Adaptations must comply with Harbour Homes' policy. The adaptation should be recorded in the register of interests within five days of completion. Major Repairs carried out in accordance with Harbour Homes' policy, Major Repairs and Planned Works Programmes do not need to be recorded. A person affected should declare their interest if/when the programme is being approved by the Governing Body. Out of sequence replacement of any major component (eg kitchens, heating systems) should be recorded in the register of interests within five days of completion.
Payment of a decoration allowance, tenant reward/incentive as part of an agreed scheme or prize to a Governing Body member, employee or connected person.	Yes	Payment of decoration allowances or incentive/reward payments must be made in accordance with Harbour Homes' policies and procedures and recorded in the register within five days of receipt. Prizes or awards in competitions open to all tenants in the same community (eg 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.
Attendance by a Governing Body member, employee at training events or seminars (eg SFHA conferences) or openings/similar events hosted by other RSLs	Yes	There is no requirement to declare and record in the register of interests.
Paying for accommodation in connection with attendance at relevant conferences or events that you are attending on behalf of or in connection with your role with us or our subsidiaries	Yes	Accommodation that is part of a conference or training package does not need to be recorded in the register, but attendance will be recorded on the relevant individual training plan.

SITUATION OR ISSUE	CAN THIS BE PERMITTED?	FURTHER ACTION NECESSARY BEFORE THIS WILL BE PERMITTED?
Governing Body Members or staff seeking donations from our contractors/suppliers when fundraising for charity is for Harbour.	Yes	This is permitted provided: • Approval is gained from the Group Chief Executive prior to making any approach; and • Any donations received are recorded in the Register. We recognise our social responsibility and promote charity fundraising by the organisation and our people. We have a separate policy that sets out our approach to supporting other charities.
Sale of a property under Right To Buy to someone affected by this policy.	Yes	This is permitted with no requirement to declare in the register. The normal process for valuation and sale should be followed and our normal policy would be applied.
Sale of our interest (whole or part) in a property to someone affected by this policy via LIFT, HomeBuy; Help to Buy or other LCHO scheme	Yes	This is permitted, provided: • Our policy and procedures are followed; • The prospective purchaser should play no part in the processing of the transaction by Harbour; and • It is declared and recorded in the Register within five days of the missives being concluded confirming the process followed.
The purchase of land or other assets from anyone who is, or has been in the last twelve months, one of our people or who is connected to one of our people	No (in almost all cases)	This cannot be permitted 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 this would be permitted provided: • 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 the organisation; and • It is declared and recorded in the Register within five days upon conclusion.
Sending gifts to Governing Body or staff members as a thank you or acknowledgement of personal events.	Yes	This is permitted providing the gift value does not exceed £40 and is authorised by an appropriate member of the Group Leadership Team.
Sale or purchase of a property under Harbour's Stock	Yes	This is permitted, provided:

SITUATION OR ISSUE	CAN THIS BE PERMITTED?	FURTHER ACTION NECESSARY BEFORE THIS WILL BE PERMITTED?
Rationalisation Policy to someone affected by this policy.		• The property is advertised on the open market and this highest offer received is accepted at the closing date; • The prospective purchaser should play no part in the processing of the transaction by Harbour; and • It is declared and recorded in the Register within five days of the missives being concluded confirming the process followed.