

The BCHA Group

Payments, Benefits and Interests Policy

SUBJECT: Payments, Benefits & Interests SECTIONS: BCHA & ALL SUBSIDIARIES REVIEWED BY: Company Secretary	Policy No: 131	Regulatory Framework: Governance Std
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1.0 Purpose

- 1.1 BCHA, as a family of organisations, receives substantial funding from the public purse as well as charitable donations from a wide range of individuals and organisations. Our customers, partners, regulators and the public are entitled to expect the highest standards of conduct from all those associated with the Organisation.
- 1.2 Over the years in the interests of maintaining these high standards, a number of measures have been introduced to limit the payments and personal benefits that can be made to Board members and employees, or their close relatives, or to businesses trading for profit which such individuals own or manage.
- 1.3 These measures are principally contained within:
 - Section 122 of the Housing & Regeneration Act 2008
 - The Companies Act 2006, sections 175 to 177
 - Charity Law, (including Charities Act 2022 and associated guidance)
 - Bribery Act 2010
 - NHF Code of Governance 2020
- 1.4 Charity and Company law applies to BCHA's subsidiaries dependent upon whether they are a charity or a limited company or both.
- 1.5 For the purposes of this policy, any legislation which applies to BCHA will apply to BCHA's subsidiaries in spirit, if not in law.

2.0 Scope

- 2.1 The policy applies to all shareholders, BCHA Board members, subsidiary Board members and committee members ("members") as well as Group employees.
- 2.2 This policy will also apply to suppliers, volunteer workers and "friends of" the organisation (other than Board members) in that personal benefit must neither be expected nor derived by these individuals from their association with the Organisation.
- 2.3 The primary concern of any probity policy is to ensure transparency. Where Board members, employees and others have any doubts about whether a matter concerning them is a probity matter, it is better that they declare this anyway.

3.0 Definitions

- 3.1 An "**Agent**" is defined as an individual or organisation who has authority to act on behalf of and / or represent BCHA in various capacities defined by the agreement / contract / framework under which they operate of employment
- 3.2 A "**Benefit**" includes but is not confined to:

- a) the grant of a tenancy, licence or lease
 - b) the sale of property at any value
 - c) the loan of money or property or provision of a guarantee relating to loans
 - d) the award of a contract of employment
 - e) the award of any other type of commercial contract or agency agreement
 - f) any gift, hospitality or entertainment
 - g) the grant of specific assistance to customers who are also members or employees
 - h) the provision of a service
- 3.3 **“Board”** will mean the Board of BCHA or a subsidiary, dependent upon context. Reference to the BCHA Board includes Audit, Risk & Treasury committee where it is delegated to act on behalf of the Board.
- 3.4 A **“Close Relative”** may include a relative by blood, marriage or civil partnership, or a similarly close relationship that could be seen to have influence over any decision affecting that person. This includes, for example, cohabiting relationships, close friendships, other family relationships (aunt, cousin etc) and where there is any legal or financial relationship (other than marriage or civil partnership) between two or more individuals.
- 3.5 A **“Conflict of Interest”** is any situation where someone’s personal interests, or interests that they owe to another organisation arise simultaneously with his/her interests to BCHA or its subsidiaries which might cause them to act other than in the best interests of BCHA or its subsidiaries or put them at risk of being accused of so acting.
- 3.6 An **“Employee”** is a person who has a contract of employment with the BCHA Group although this term for the purposes of this policy will also include:
- someone working on a freelance or consultancy basis
 - relief workers
 - temporary/agency employees on placements lasting more than one month continuously
 - student placements lasting more than one month continuously
 - regular volunteers
 - contractors employed by their company to undertake a role on behalf of BCHA
- 3.7 A **“Former Employee”** is anyone who has terminated their position within the previous 12 months.
- 3.8 A **“Member”** is a member or co-optee of the BCHA Board, a subsidiary Board or a delegated sub-committee
- 3.9 **“Organisation”** and **“BCHA”** refer to BCHA and its subsidiaries collectively.
- 3.10 A **“Senior Manager”** is a member of the Executive Team. This includes: CEO, Chief Operating Officer, Assistant Director of Asset and Repairs, Director of Finance and

Corporate Resources, Director of Change, Transformation and Growth, Head of Strategy and Governance.

4.0 Anti-Bribery Statement

4.1 The Board and Senior Leadership Team of BCHA are committed to ensuring that our business is conducted in an open and transparent manner and require employees and agents to act with the highest integrity. BCHA does not condone acts of fraud, bribery or corruption as a way of doing business. Where such acts come to light, they will be investigated and appropriate action will be taken.

4.2 Members, employees and agents acting on behalf of the Organisation must not promise, offer, request or accept any payment, gift, hospitality, advantage, favour or other benefit, whether directly or via a third party, which is or could be construed as an inducement or reward to improperly perform or refrain from performing a particular activity or public duty. Such transactions are bribes and will be considered as gross misconduct. Such transactions may lead to prosecution under the Bribery Act 2010.

4.3 Members and employees (as defined in 3.6 above) should be alert to lax practices or possible breaches of this policy by themselves or others and have a duty to report any such concerns to their Chair or Company Secretary (members) or line manager or senior manager (employees) without delay. The Whistleblowing Policy allows employees to report concerns without fear of recrimination.

4.4 Employment of Agents

Where BCHA wishes to engage the services of an agent to represent it in any business activities or transaction, particularly out of area, the agent will be selected on the basis of a due diligence process.

The terms of engagement for such agents will be in writing and will include the Organisation's Anti-bribery Statement (above).

5.0 Interests

5.1 Private or personal interests or someone's position in the organisation must not be used to obtain personal gain of any sort nor be used to influence any decisions regarding that person's family, friends or associates. Even where an individual has no intent of deriving personal gain from a situation they must be mindful that others may perceive the matter differently so it is important for individuals to avoid and be transparent about situations where they could be accused of personal gain.

5.2 Examples of personal interests include (this is not a complete list):

- Employment, ownership or significant shareholding in an organisation or partnership providing products or services to BCHA or the housing association sector generally
- Employment, ownership or significant shareholding in an organisation or partnership providing products or services of a very similar nature to BCHA
- Tenancy or leasehold interest in property owned or managed by BCHA

- Membership of a political, campaigning or community organisation which has or could have interests in the activities of BCHA
 - Membership of a local authority, public body or another not for profit organisation (including other housing associations) with interests in BCHA's area of operation
- 5.3 Any activities, whether voluntary or paid, outside of someone's role with the Organisation which could overlap or create a possible conflict of interest (even where there is no potential to profit from such a conflict), should be declared to their Senior Manager (for employees/volunteers); to the Chief Executive (for Senior Managers) or the Board/Committee Chair (for members and Chief Executive); to BCHA's commissioning manager (for contractors or other agents). The person to whom the conflict is reported will then determine whether and how the conflict is to be managed or resolved. Any arrangements must be confirmed in writing to the individual(s) concerned or in the minutes of any meeting where the conflict is raised.
- 5.4 In relation to Board recruitment, prospective candidates will be expected to disclose potential conflicts so that an informed decision on appointment may be made. Particular consideration must be given to the existing composition of the Board insofar as no more than one quarter of the Board should represent any particular organisation, type of organisation, constituency or interest group.
- 5.5 Members who are customers of BCHA have a duty to act in the interests of the Organisation as well as ensuring that the Board is aware of the member's view in its decision making. Issues relating to an individual's tenancy, licence etc. must not be raised. Where an item at a Board meeting does cover an issue that affects the resident directly or as one of a small group of residents, an interest must be declared.
- 5.6 Any actual or potential conflicts of interest declared will be recorded in the HR files (all employees exc senior managers) or a Register of Interests held by the BCHA Company Secretary (for members and senior managers).
- 5.7 It will be expected that any interests declared will require the person(s) concerned to withdraw from any form of decision-making in, or management of, the situation where the conflict exists or may exist. Confirmation of any arrangements made to minimise a conflict will be recorded in the Register of Interests by the BCHA Company Secretary.
- 5.8 For Members, ongoing or irreconcilable conflicts of interest, or involvement in activities which bring the Organisation into disrepute may require the resignation of the member concerned. The Chair of the Board concerned or the BCHA Company Secretary may be approached for advice regarding such eventualities (procedures are set out in the Governance Frameworks for each Group entity).
- 5.9 Failure to declare an actual or potential conflict of interest (or where misleading information has been supplied as part of a declaration) will be considered a serious breach of this policy, for which disciplinary action will be taken.

6.0 Payments

6.1 Remuneration

- 6.1.1 Remuneration or the payment of dividends or bonuses to shareholders, former shareholders, their families or associated companies is prohibited by Section 122 of the Housing & Regeneration Act 2008, except in accordance with the constitution of the organisation concerned.
- 6.1.2 Remuneration to members or the payment of dividends or bonuses will be in accordance with the constitution of the organisation concerned. The current policy of the BCHA group is that members work in a voluntary capacity for the boards on which they serve.
- 6.1.3 Remuneration to the Chief Executive of BCHA will be determined by the Board, taking into account the size of the Organisation, its level of risk, resources, social purpose and reputation (although this process may be delegated to a Committee which will make its recommendations to the Board). Remuneration of the most senior employee of a subsidiary organisations (where these individuals hold contracts of employment with a subsidiary) will be approved by the Board of the subsidiary with the advice of the Chief Executive of BCHA.
- 6.1.4 Remuneration of all other employees will be in accordance with their contracts of employment, the Salary Policy and any overarching principles set by the Board
- 6.1.5 An annual disclosure of the level of any payments made to individual board members and the level of the Chief Executive's remuneration will be included in the statutory accounts.
- 6.1.6 Annual cost of living awards will be approved in accordance with the Salary Policy.

6.2 Expenses

- 6.2.1 Payment of expenses to Members and Employees will be limited to actual and reasonable out-of-pocket costs necessarily incurred in connection with their duties. Further details are to be found in the Staff Handbook and Board Member Expenses Policy.

6.3 Non-contractual payments to employees

6.3.1 Bonuses

Payment of performance rewards will be in accordance with employment contracts or separate bonus policies or schemes which have been approved by the Board. The following will apply to non-contractual bonuses:

- The BCHA Board will approve all bonus payments to group employees, taking into account performance against targets and the affordability of the payments.
- Subsidiary boards may NOT approve separate bonus payments to their employees without the prior approval of the BCHA Board.

6.3.2 Ex Gratia Payments

One-off payments to reward or compensate specific employees for exceptional performance, personal loss or injury or in the light of exceptional circumstances must be authorised by the Chief Executive on the recommendation of the relevant Director, unless covered elsewhere in section 6.3. Ex gratia payments to a Senior Manager must be approved by the Board.

6.3.3 Severance & Redundancy Payments

Severance and Redundancy payments must be made in accordance with any statutory formula, employment contracts and any Redundancy Policy operated by the Organisation. If additional sums are considered to be appropriate, then legal advice must be sought.

From time to time, it may be appropriate in *exceptional circumstances* to make non-contractual severance payments to employees that are leaving in the following circumstances:

- voluntarily after a long period of service and the payment would be recognition of their contribution to the work of the Organisation or
- because of redundancy or restructuring or
- because of long term disability or ill health or
- voluntary early retirement

The level of any payment permitted (in addition to contractual and statutory amounts) is *up to* one month's gross salary for each completed year of service up to a maximum of 10 months' salary. The payment may include employer contributions to the company pension scheme, health insurance schemes etc. where these have been paid as part of the employee's salary package for at least the previous 12 months.

All non-contractual severance and redundancy payments may only be approved by the BCHA Board which will take account of the reputational risk to the organisation as well as the circumstances of the proposal. All payments will be recorded by the BCHA Company Secretary in the Probity Register.

Employees who have transferred under TUPE will have their entire length of service taken into consideration for the purpose of calculating non-contractual payments.

Severance and Redundancy Payments to the BCHA Chief Executive or Senior Managers will be determined by the BCHA Board in accordance with this section of the policy and taking into account the legal, financial and reputational risks of any proposed package.

6.3.4 Out of Court Settlements

Settlements as part of an employment-related dispute or personal injury claim may be made provided that:

- advice has been sought from legal and/or insurance advisors
- payment does not exceed £30,000

- the case, if defended, is unlikely to be successful or would give rise to substantial additional cost, protracted proceedings or would adversely affect the operational performance of the organisation

All proposed out of Court payments must be approved by the BCHA Board which will take into account the reputational risk to the organisation as well as the circumstances of the proposal. All payments will be recorded by the BCHA Company Secretary in the Probity Register.

As a guideline, the level of any payment may be *up to* one month's gross salary for each completed year of service up to a maximum of 10 months' salary. The payment may include employer contributions to the company pension scheme, health insurance schemes etc. where these have been paid as part of the employee's salary package for at least the previous 12 months.

This section does not relate to Employment Tribunal settlements, which do not require Board approval.

Payments larger than £30,000 or where the case involves the Chief Executive or a Senior Manager will be considered by the BCHA Board, taking into account the legal, financial and reputational risks of any proposed payment.

6.4 Donations & Sponsorship to External Individuals & Organisations

Decisions to make sponsorship payments or donations externally will be made by a Director or the Board (BCHA) or the Board of a subsidiary (for subsidiaries), subject to financial delegations, transparency and full consideration of any conflicting interests. This is limited to a maximum of £5k to any one individual or organisation. Amounts over this will be referred to the full executive.

6.5 Donations to BCHA and its subsidiaries

Members and employees may donate money, goods and time (over and above their contractual duties) to the Organisation for charitable purposes. Members and employees may also use their contacts both within and outside of work to seek support or charitable donations for any legitimate fundraising activity. All monies given must not be in expectation of any return benefit or favour although donors may specify how they wish their donation to be used by the Organisation.

Contractors, consultants and suppliers may support the work of the organisation either by financial donation or by other assistance (for example, voluntary days). However, such support must be given freely without any expectation of future fee-earning business. The relevant Board must specifically approve any instances of voluntary support where there is a significant conflict of interest with the donor.

6.6 Payments as part of a public contract to provide services

From time to time, BCHA may be contracted to deliver a service on behalf of a statutory agency which requires the payment of grants, loans or funds to individuals

fulfilling eligibility criteria established by the statutory agency. The operation of such a service does not contravene this policy where payments are made to a person who is also a member, employee or close relative thereof or an existing customer provided that such individuals are deemed eligible for such assistance by the statutory agency.

Similarly, the Organisation may be contracted to make payments to third parties on behalf of a statutory agency where an individual eligible for assistance has freely chosen the third party concerned to provide services or accommodation to them. Where a member, employee or a relative thereof has a material connection to the chosen third party, it will not be in contravention of this policy to make the payment although the conflict of interest should be declared in order that there is no accusation of personal gain.

6.7 Related Party Transactions

Any approved transactions (the transfer of assets or liabilities or performance of services, whether or not a charge is made) between the Organisation and one of its Board members, senior managers or their close family members or connected businesses will be disclosed in the accounts of the organisation concerned, where considered material by the auditor.

7.0 Benefits

7.1 Working with Consultants, Contractors & Suppliers

- 7.1.1 Fairness and impartiality must be exercised when dealing with all consultants, suppliers, contractors and sub-contractors. No contractors or consultants will be awarded a contract, instructed to provide services or be paid any amounts by the Organisation, either directly or via a third party if any director, partner, or person involved in the management of the business is associated with any Group employee, former employee, member, or close relative thereof UNLESS the Board (BCHA or subsidiary, as appropriate) specifically approves this. In doing so, the Board will need to take into account the economic and technical reasons for the award of work to contractors etc connected to the Organisation as well as any reputational and legal risks.
- 7.1.2 The use of the Organisation's consultants, contractors, sub-contractors or general suppliers for private purposes should be avoided. Where this is impractical (for example with utility companies, banks, major high street retailers and similar) there must be a clear separation between personal and Organisational purchasing decisions. Where someone wishes to employ the services of a specific Contractor, Consultant or Supplier, they must obtain the prior written approval of the Company Secretary, although requests may be refused where sufficient and clear alternatives exist.
- 7.1.3 No owner of property used by the organisation, or any business or close relative of such a person, will be engaged to carry out refurbishment or building works on these properties, unless specifically approved by the BCHA Board. Leases where repairing obligations contractually rest with the owner are excepted from this requirement.

7.1.4 Purchase of Goods & Services from the Organisation

Members, employees and their relatives may buy goods and services for personal use where these are already offered by BCHA or a subsidiary directly to the general public. Connection with BCHA, however, does not give individual entitlement to any favourable personal discounts so individuals must purchase the goods or services at the rates offered to the public or to employees as a whole.

- 7.1.5 Approval for the purchase of goods is not needed. However, members and the Chief Executive need to gain **prior approval** from their Chair to use BCHA services privately, other senior managers must gain **prior approval** of the Chief Executive and employees must get **prior approval** of their Senior Manager. Directors of New Leaf must get the **prior approval** of the New Leaf Board to purchase services provided by any enterprise run by the company. A record of use will be maintained by the organisation providing the services, for the purposes of transparency.

7.2 **Working with Customers**

- 7.2.1 Fairness and impartiality must be exercised when dealing with all customers. Interactions between members/employees and customers is also governed by the Professional Boundaries Policy.

7.3 **Employment Contracts**

- 7.3.1 Recruitment and selection processes must always be based on impartiality and fairness and an objective assessment of the requisite skills and qualifications required for a particular post. No employee can be involved with the short listing, interviewing or selection of any individual to whom they are closely related (see section 3). Full details of the recruitment process can be found on the workforce HR system including Policy 601 - Safer Recruitment and Selection Policy.
- 7.3.2 Employees and Members must disclose any close relationships with current employees or job applicants, as these arise.
- 7.3.3 The Board will approve all proposed offers of employment to any individual who is related to a current member or Senior Manager. Individuals related to other grades of employee will be subject to delegations detailed Appendix 1
- 7.3.4 The Board will approve all proposed offers of employment or engagement as a consultant to any former Senior Manager (CEO and Directors) or member. Engagement of other grades of employees will be subject to delegations detailed in Appendix 1
- 7.3.5 Employees cannot be involved in the direct line management of any close relative (as defined) nor any decisions relating to terms & conditions, professional development, capability, performance, suspension, disciplinary, grievance or redundancy matters affecting their relative specifically.

7.4 Purchase, Lease or Use of Land or Property

- 7.4.1 Buildings and land will not be purchased, leased or occupied under licence, whether for full market value, at a discount or at zero cost, from any member, employee, former employee, close relative, or associated business. Property owned or leased by such individuals should also not be used to knowingly re-house BCHA customers (but see 7.2.1 above).
- 7.4.2 Purchase or lease of property other than land and buildings is covered by section 7.1.4.

7.5 Sale of Property

- 7.5.1 Buildings and land will not be sold to members, employees or their close relatives etc under any circumstances.
- 7.5.2 BCHA may dispose of obsolete fixed assets other than land/buildings (for example computer equipment) by sale to members, employees or their relatives at the discretion of the budget holder concerned, provided that the items concerned have been fully depreciated or written off. Such sales should be advertised to all group employees and offers may be accepted on a first come-first served basis or by an internal bidding process. Sales must always seek to obtain the best price, taking into account costs of ongoing upkeep, storage or alternative disposal as well as the residual value of the asset.

7.6 Grant of Tenancies, Licences and Leases

- 7.6.1 Tenancies, Licences and Leases will only be granted to members, employees or close relatives thereof in accordance with the Organisation's published selection and allocations policies i.e. where the allocation is part of a fair and transparent process and has been approved **in advance** by the BCHA Board (for BCHA and subsidiaries). The member or employee concerned must not be involved in the assessment or decision-making process or the ongoing management of the tenancy.

7.7 Loans

- 7.7.1 The Organisation will not make loans to any member or employee unless specifically stated as part of a contract of employment. Similarly, the Organisation will not seek to borrow money or property from any employee or member or from any Organisation with which they are closely connected by virtue of management or ownership.

7.8 Assistance to Customers who are also Employees or Members

- 7.8.1 Any assistance, whether financial or otherwise, may be granted to such customers provided that they fulfil the eligibility criteria for the assistance and that the individuals concerned (or their relatives) declare their interest and are not involved in the decision-making process for the assistance. For example, where a tenant-board member wishes to transfer to another BCHA property, this would be processed in line with the published BCHA policy in operation at the time.

8.0 Gifts and Hospitality

Personal gifts and hospitality must not be solicited from outside individuals or organisations under any circumstances. Any Gifts or Hospitality offered should be refused unless refusal would cause offence. However, if acceptance could be interpreted as a way of exerting improper influence over any decisions or actions taken by the organisation then the gift or hospitality must be refused and attention be drawn to this policy.

8.1 Non-declarable Gifts & Hospitality –

8.1.1 The following personal gifts may be accepted, if offered to employees (as defined in section 3.5) or members, and do not need to be formally declared:

- free calendars, diaries, pens or similar items of stationery
- low value working meals (buffet lunches, sandwiches etc)
- getting a lift from an external organisation to a venue
- token thank you gifts from customers

However, employees are advised to report gifts from customers to their line manager as acceptance could be construed a breach of professional worker-client boundaries.

8.1.2 Similarly, employees or members may offer token gifts and low value working meals to colleagues in outside organisations as part of day-to-day business without the need to declare this.

8.1.3 Gifts and hospitality offered/received between employees/members do not need to be declared, provided that this could not be perceived as an attempt by the donor to exert influence over any formal decision-making.

8.2 Declarable Gifts & Hospitality

8.2.1 Any gifts or hospitality offered to external individuals or organisations or received by employees **in excess of £10 in value** (inc VAT) must be formally declared. Approval of their Chair (members & Chief Executive)–or by the employee’s Line Manager or equivalent is required in all cases and the receipt will be recorded in the Register of Gifts & Hospitality maintained by the BCHA Company Secretary. If there are doubts about the exact value, individuals should declare anyway.

8.2.2 Gifts up to £100 may be retained by the recipient if these have been personalised or are perishable. However, chairs/managers must authorise this on the declaration form.

8.2.3 Otherwise, all gifts received must be surrendered to either the Team Manager (for departmental or customer benefit) or the Company Secretary (for the purposes of Christmas or fundraising raffles or similar).

8.3 Prior Approval

8.3.1 Written approval in line with 8.2.1 is advised when making gifts or offering hospitality for gifts etc which are over £10 in value (inc VAT) before being offered to an external

party. However, such gifts should be made in exceptional circumstances only. See below for rules on retirement gifts.

8.4 Unacceptable Personal Gifts & Hospitality

8.4.1 The following, either offered or received are deemed unacceptable in any circumstances:

- hotel or other accommodation (costs should be claimed from BCHA)
- fully or partly paid for holidays, social or leisure trips
- free long distance travel or travel upgrades (employees/members should claim expenses from BCHA)
- free entry to events not connected with work (unless these are part of a purely charitable donation to the organisation rather than to individuals/teams and acceptance cannot be viewed as a conflict of interest)
- lavish gifts or hospitality (a guideline value of £100, inc VAT, is suggested)
- gifts or hospitality to/from procurement employees to/from individuals or organisations that have been or are about to be invited to tender for supply contracts with the organisation. Attendance at trade shows, seminars etc hosted by suppliers at other times by procurement employees is acceptable although such employees should exercise particular caution about not compromising their impartiality or integrity.
- More than two declarable gifts/offers of hospitality to the same person or team from the same donor in any given financial year (i.e. if a third declarable gift etc is offered, this must be refused).
- Any gift or hospitality which is (or could be reasonably construed as) an attempt to influence or reward the recipient in relation to their professional decision-making or performance of their public duties.

Directors of subsidiary companies must be mindful of Section 176 of the Companies Act 2006 (See Appendix Two (i)) which states that they have a legal duty not to accept benefits from third parties, if this could cause a conflict of interest. Any attempt to offer such gifts or hospitality must be reported to the BCHA Company Secretary without delay.

8.5 Social & Welfare Matters

8.5.1 Any gifts to shareholders, former shareholders (or family members thereof) are unlawful under s122 of the Housing & Regeneration Act 2008 (See Appendix Two (ii)) . This provision will cover Board members and former Board members who are also shareholders.

8.5.2 Token gifts or payments from the Organisation to employees will be permitted up to a value per person of £250 per year. Corporately-funded social events for employees will also be permitted up to a maximum of £50 per person per event and an overall limit of £100 per person per year. **There is no need to seek Board approval but all decisions should be recorded, for example in Directors' Team minutes.**

- 8.5.3 Token gifts include good service awards, retirement or leaving gifts from the Organisation to long serving employees, recognition awards for volunteers, gifts such as flowers to mark special occasions or as get-well gestures. However, such gifts will be made on an exceptional basis rather than being a standard expectation for everyone. Reward vouchers, or meals for customers who participate in work-related events are not a gift for the purposes of this policy.
- 8.5.4 Social events (whether departmental or corporate), will ordinarily include Christmas parties, summer parties and any other events to mark a special occasion – such as a retirement or a notable achievement. Corporate events for employees, customers, stakeholders or other outside bodies which have a business rather than a social purpose (for example, strategy days, open days or consultation exercises) are not considered a benefit under this policy.
- 8.5.5 Un-subsidised events are not considered a benefit for the purposes of this policy.
- 8.5.6 Employees, customers or members may request to use BCHA premises for social or other events. Approval will be at the discretion of relevant Senior Manager, including whether or not there is a hire charge. Such requests do not need to be recorded formally.

9.0 Approvals of Payments, Benefits & Interests

- 9.1 The BCHA Board and subsidiary Boards will consider all payments and benefits as stipulated in this policy (as summarised in Appendix One). In determining whether to approve a payment/benefit, the Board should take into account :
 - 1. Whether payments or benefits can be made within the objects and powers of the organisation concerned and are lawful
 - 2. if lawful, that such payments do not contravene the spirit of this policy
 - 3. whether approval would jeopardise the reputation of the Organisation
 - 4. whether legal advice has been obtained, where appropriate
- 9.2 The Chair of BCHA (or a subsidiary, where applicable), the BCHA Chief Executive or any Senior Manager may exercise their delegated authority to approve payments and benefits in between Board meetings provided that the matter is urgent and the decision is reported to the next Board meeting.
- 9.3 The Board has the right to seek to recover any payments/value of benefits made to external parties and require the return of any payments received from third parties.

10.0 Transparency

- 10.1 Whilst any declarations that are made will be subject to the provisions of the Confidentiality Policy and Data Protection Law, Probity Registers will be published on the Organisation's website in summary form.
- 10.2 An annual report on probity matters, including declarations of interest, will be received by the Governance Committee at least annually and any amendments to this policy may be considered as a result.

11.0 Breaches

- 11.1 Any breaches/potential breaches of the policy must be reported to the BCHA Board and recorded in the Probity Register held by the BCHA Company Secretary. The Board may direct that an internal or externally-led investigation be undertaken into the breach. It will be for the Board to determine whether the findings of any investigation are reported to the Social Housing Regulator. The Board will endeavour to comply with any remedial action directed by the Regulator, for example, the recovery of unauthorised payments.
- 11.2 Any actual or potential breaches of charity law in relation to conflicts of interest or unauthorised payments to Trustees must be reported to the Charity Commission by the Company Secretary of the Charity concerned. The BCHA Board must also be informed. The Organisation will comply with any resulting directions made by the Commission.
- 11.3 A Director of an incorporated subsidiary who is in breach of their legal duties will be liable to compensate the company for any loss suffered. Significant breaches may lead to disqualification by the Courts under the Company Directors Disqualification Act 1986.
- 11.4 Members and employees have a duty to cooperate fully with checks, audits, reviews or investigations in connection with this Policy.
- 11.5 Breaches of this policy will be grounds for disciplinary action.

12.0 References

POLICY	PGN
Code of Conduct for Board & Committee Members	132
Financial Regulations	
Fraud & Corruption	207
Professional Boundaries	610
Selection & Allocation	521
Staff Code of Conduct	133
Donations & Gifts Procedure	DON1

LEGISLATION	REF
The Charities Act 2011	
The Charities Act 2022	
The Companies Act 2006	2006 C46

EXTERNAL PUBLICATIONS	REF
NHF Code of Governance	

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APPENDIX ONE

Summary of Authority to approve various situations, transactions etc.

Para	Issue	Approval By
5.0	Actual/Potential conflicts for members	Board or Committee chair
	Actual/Potential conflicts for employees	Senior Manager (employees) Chief Exec. (Snr Managers) Board/Comm. Chair (members / Chief Executive) Commissioning manager (contractors or other agents).
6.1.1 & 2	Remuneration of members	Constitution
6.1.3	Remuneration of Chief Executive	Board
6.1.4	Remuneration of employees	See Salary Policy
6.2.1	Authorisation of Expenses	Line Managers
6.3.1	Non-contractual Bonuses to employees	BCHA Board
6.3.2	Non-contractual ex-gratia payments to employees	CEO or Board Approval
6.3.3	Non-statutory / Non-contractual Severance & Redundancy Payments to employees	Legal advice to be sought Board BCHA (final)
	Severance & Redundancy payments to senior employees of BCHA	Legal advice to be sought BCHA Board
6.3.4	Out of Court Settlements relating to employment matters [other than tribunal settlement] or those over £30,000 or to senior managers	Board BCHA (final)
6.4	Donations/Sponsorship to third parties	Director or Board
6.5	Donations to Organisation	Board, if conflicting interest
6.6	Payments as part of public contracts	Service Manager
7.1	Use of Contractors & consultants by organisation with connection to members or employees	Board
7.1	Use of approved Contractors & consultants by employees or members	Company Secretary
	Use of landlords for tendered building work on their properties	BCHA Board
7.1.4/5	Purchase of Goods from BCHA	No approval needed
7.1.4/5	Purchase of Services from BCHA	Senior Manager Relevant Chair (members) New Leaf Board (NL directors, if wish to use NL services)
7.3	Offers of employment to close relatives or former employees	Board (current members / senior managers) otherwise Senior manager
7.4	Purchase, Lease or Use of Property	Not allowed
7.5.1	Sale of Property (buildings/land)	Not allowed
7.5.2	Sale of Property (obsolete equipment)	Budget Holder
7.6	Grant of Tenancies, Licences & Leases to members or employees	Board

7.7	Loans	Not allowed
7.8	Assistance to tenant-members	Service Manager
8.1	Gifts and hospitality	Line or other senior manager Relevant Chair (members)
8.5	Token Gifts or Payments or Corporately funded events, as defined	Budget Holder
	Use of premises for social/welfare purposes	Senior Manager

NB: the term “Board” means the Board of the organisation where the probity issue is occurring. “BCHA Board” means the BCHA Board acting on behalf of the whole group of organisations.

APPENDIX TWO

(i) Companies Act 2006

Section 176: Duty not to accept benefits from third parties

1. A director of a company must not accept a benefit from a third party conferred by reason of—
 - (a) his being a director, or
 - (b) his doing (or not doing) anything as director.
2. A “third party” means a person other than the company, an associated body corporate or a person acting on behalf of the company or an associated body corporate.
3. Benefits received by a director from a person by whom his services (as a director or otherwise) are provided to the company are not regarded as conferred by a third party.
4. This duty is not infringed if the acceptance of the benefit cannot reasonably be regarded as likely to give rise to a conflict of interest.
5. Any reference in this section to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

(ii) Housing & Regeneration Act 2008

Section 122 Payments to members etc.

1. This section restricts the making of gifts, and the payment of dividends and bonuses, by a non-profit registered provider to—
 - (a) a member or former member of the registered provider,
 - (b) a member of the family of a member or former member,
 - (c) a company which has as a director a person within paragraph (a) or (b).
2. A gift may be made, and a dividend or bonus may be paid, only if it falls within one of the following permitted classes.
3. Class 1 is payments which—
 - (a) are in accordance with the constitution of the registered provider, and
 - (b) are due as interest on capital lent to the provider or subscribed in its shares.
4. Class 2 is payments which—

- (a) are paid by a fully mutual housing association (within the meaning of section 1(2) of the Housing Associations Act 1985 (c. 69)),
- (b) are paid to former members of the association, and
- (c) are due under—
 - i. tenancy agreements with the association, or
 - ii. agreements under which the former members became members of the association.

5. Class 3 is payments which—

- (a) are in accordance with the constitution of the registered provider making the payment (“the payer”), and
- (b) are made to a registered provider which is a subsidiary or associate of the payer.

6. If a registered company or industrial and provident society contravenes this section—

- (a) it may recover the wrongful gift or payment as a debt from the recipient, and
- (b) the regulator may require it to take action to recover the gift or payment.

Amendment History 2023

- 1.4 – Charities Act 2022 added
- 3.1 – Definition of Agent added
- 3.6 – Definition of contractor added
- 3.11 – Roles of the Executive Team redefined
- 4.3 – Clarification of definition provided
- 5.3 – Declaration of conflict of interest for contractors or other agents added
- 6.4 – Maximum amount for donations added
- 7.1.2 – Company Secretary replaces Procurement Manager
- 7.3.1 – Cross references HR policy
- 8.2.2 – Maximum value for personalised / perishable gifts added
- 8.3.1 – Clarification of limits for prior approval
- 8.4 & 8.5 – Relevant extracts from legislation added