



Entitlements Payments and Benefits Policy

Version Number	2
Revision Date	April 2023
Department	Business Support and Transformation
Author	Head of Governance and Transformation
Reason for Policy Creation/Revision	Planned Review
Data Protection	This policy complies with Hanover's Data Protection Policy and Procedure
Equalities	Not required at this stage
Sustainability	No Impact
Proof Read By	Director of Business Support and Transformation
Date Approved	25 May 2023
Approved By	SMT
Next Review Due	25 May 2026
Audience – Training and Awareness Approach	All Board members and employees will be advised by email of the updated policy
Effective Date	30 May 2023
Internal References – Policies & Procedures (Located on The Hub)	<ul style="list-style-type: none"> Gifts and hospitality register procedure Code of Conduct for Board Members Code of Conduct for Employees Empty Homes and Decoration Policy Procurement Policy Financial Standing Orders Fraud Prevention Policy

ENTITLEMENTS PAYMENTS AND BENEFITS POLICY

	Redundancy Policy Scheme of Delegation Employee Expenses Policy Board Member Expenses Policy
External References	SFHA Model Entitlement Payments and Benefits Policy Bribery Act 2010

ENTITLEMENTS PAYMENTS AND BENEFITS POLICY

1. Policy Purpose

- 1.1 We are an RSL and a Scottish Charity. We are part of a sector that has a strong reputation for integrity and accountability to the customers we serve and to our Regulators. This policy describes the entitlements, payments or benefits that our Board Members / employees can receive. It also describes what is not permitted, and the arrangements that we have in place to ensure that the requirements of the policy are observed.
- 1.2 The Scottish Housing Regulator (SHR) requires us to have a policy that sets out what payments and benefits we permit. This Policy is intended to be a practical document that supports us in meeting that requirement, demonstrating that we conduct our affairs in line with our values, ensuring we are open and honest and that we are responsible for what we do. It aims to ensure that no one benefits improperly or inappropriately from their involvement with us, but also to ensure that no one is unfairly disadvantaged either.

2. Policy Scope, Explanations or Requirements

- 2.1 This policy is based on the Scottish Federation of Housing Associations (SFHA) model "Entitlements, Payments and Benefits Policy" which was updated in April 2021 and to reflect the revised Scottish Housing Regulator (Regulatory Framework).
- 2.2 This policy is aimed at:
- Board Members of our governing body
 - Everyone who works for us, whether employed directly or otherwise.
- 2.3 We recognise that there can be risks to the reputation of Hanover and the individuals concerned, if there are perceptions that inappropriate payments or benefits are being made or received. This policy is intended to protect our Board Members / employees as well as Hanover from such criticism or suspicion. In addition, we have Codes of Conduct for Board Members and Employees which prevent the acceptance of excessive hospitality or gifts.
- 2.4 We prohibit any attempt to induce Hanover or our Board Members / employees to offer preferential services or business terms. The Bribery Act of 2010 provides guidance on proportionate measures organisations need to take to ensure that they comply with this piece of legislation. This policy will also cover the requirements for our Board Members / employees to prevent bribery in conjunction with our stance on benefits (gifts and hospitality) – see section 4.3. In the event of any suspicion of bribery or corruption, we will take swift and strong action in accordance with our policy.
- 2.5 We recognise that it is not always possible to ensure that the affairs of Hanover are completely separate from the arrangements that some of Board Members / employees may make as individuals. For example:
- Entitlement where services are required;

ENTITLEMENTS PAYMENTS AND BENEFITS POLICY

- Where there are a limited number of contractors/suppliers who provide the particular range of goods or services required;
- Where the contractor/supplier is a mainstream or national organisation
- Where the scale of the transaction or the nature of the business is not significant;
- Where a combination of factors outlined above are present.

2.6 At all times, we expect a common-sense approach to be applied to the interpretation and the application of this policy.

2.7 As we are a Scottish Charity, all of our Governing Board Members must also ensure that they comply with the Office of Scottish Charity Regulator (OSCR) guidance to Charity Trustees and charity legislation.

3. Board and Employee Responsibility

3.1 Board Members and employees are personally responsible for ensuring that they are familiar and comply with the terms of this policy. When signing the respective Code of Conducts for employees and for Board Members, it will reflect that this policy is being complied with.

3.2 If there is any uncertainty about anything relating to entitlements, payments or benefits, Board Members should consult with the Chair of the Board or the Chief Executive Officer (CEO) and employees should approach their manager in the first instance.

4. Who our Board Members and Employees Need To Consider

4.1 Someone “closely connected” to you includes family members and persons who might reasonably be regarded as similar to family members even where there is no relationship or birth or law.

4.2 As well as considering their own actions, our Board Members / employees must be aware of the potential risk created by the actions of people to whom they are closely connected.

4.3 For example, where someone close to our Board Member / employees is entering into an agreement with us, or they have significant involvement with one of our suppliers, our Board Members / employees must follow the terms of this policy.

4.4 Our Board Members / employees are expected to make reasonable efforts to identify actions or involvement by anyone with whom they are closely associated that come under the terms of this policy, but a common-sense approach should be adopted at all times. There are two groups of people that need to be considered in respect of the application of this policy as identified in the table below.

ENTITLEMENTS PAYMENTS AND BENEFITS POLICY

Group	Required Response
<p>1. Members of your household</p> <p>This includes:</p> <ul style="list-style-type: none"> • Anyone who normally lives as part of your household (whether related to you or otherwise) • Those who are part of your household but work or study away from home 	<p>We expect you to be aware of and declare any relevant actions of all people in your household. You must take steps to identify, declare and manage these.</p>
<p>2. Partner, Relatives and friends</p> <p>This includes:</p> <ul style="list-style-type: none"> • Your partner (if not part of 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 upon or who is dependent upon you • Acquaintances (such as neighbours, someone you know socially or business contacts/associates) 	<p>Where you have a close connection and are in regular contact with anyone within this group, we expect you to be aware of and declare any relevant actions. Under these circumstances, you must take steps to identify, declare and manage these actions.</p> <p>Where you do not have a close connection and regular contact with someone in this group, we do not expect you to be aware of or to go to unreasonable lengths to identify any relevant actions. However, if you happen to become aware of relevant actions by such individuals, then these should be declared and managed as soon as possible.</p>

4.5 We recognise that our Board Members / employees will not always be closely acquainted with or in regular contact with all of the people listed in the table in 4.4 above and we do not expect them to go to unreasonable lengths to identify actions or involvement that are covered by this policy. However, we do expect our Board Members / employees 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.

4.6 We do not expect our Board Members / employees to be aware of or declare the actions of people in Group 2 with whom they do not have regular contact.

ENTITLEMENTS PAYMENTS AND BENEFITS POLICY

4.7 For the remainder of this policy, those whom our Board Members / employees are required to declare under the circumstances as described above will be described as “connected to our Board Members / employees.

5. What Our Board Members and Employees need to consider

5.1 Our Board Members / employees should be aware of and follow the declaration of interest (DOI) process for any of the following situations. If anyone connected to our Board Members / employees:

- Has a significant interest in a company or supplier that we do business with. A significant interest means ownership (whole or part) or a substantial shareholding but does not include where an individual has shares in large companies, such as banks, utility companies or national corporations, i.e. where owning shares would not give the individual any significant influence over the activities of that organisation.
- Has involvement in the management of a company or supplier that we do business or that we are about to do business with.
- Has involvement in the tendering for or the management of any contract for the provision of goods or services to us.
- Applies for employment with us (although they too should declare this on the appropriate section on their job application form).
- Applies for a home with Hanover or applies to have care services provided to them from Hanover.
- Applies to join our Board.

5.2 If any of the above situations arise, our Board Members / employees must notify either their manager (in the case of employees) or the Chair (in the case of Board Members). They should then make their relevant Senior Management Team (SMT) member aware and the Declaration of Interest procedure should be followed as laid out in the Entitlements, Payments and Benefits Procedure. The Procedure provides more information on the different types of situation which might arise under the following headings:

- Entitlements
- Benefits (including Gifts and Hospitality)
- Other payments and declarable interests

6. Personal Use of Hanover’s Contractors and Suppliers

6.1 In order to help us maintain Hanover’s excellent reputation, where possible our Board Members / employees should avoid using Hanover’s contractors/suppliers for their own private purposes. The current Suppliers List can be obtained from the Finance Team - this highlights contractors and suppliers that fall under the terms of this Policy.

ENTITLEMENTS PAYMENTS AND BENEFITS POLICY

- 6.2 We recognise that there could be certain circumstances where it might not be possible for our Board Members / employees to avoid the use of all the contractors/suppliers on this list, such as where market conditions in a local area make it difficult to obtain a reasonable selection of potential contractors or suppliers. Under such circumstances our Board Members / employees could be permitted to use those contractors/suppliers outlined in the Suppliers List, provided they are able to demonstrate that they received no preferential treatment in terms of price, quality or any other aspect of service delivery due to their involvement with Hanover.
- 6.3 Approval to use any supplier detailed on the Suppliers List is at the discretion of the relevant member of the Executive Leadership Team or for Board Members the Chair will approve. In order to be granted approval, our Board Members / employees will be required to demonstrate that there is no alternative suitable contractors/supplier providing the service required in their local area, and that they will receive no preferential treatment in terms of service or cost (which will need to be demonstrated through quotations and receipts).
- 6.4 If our Board Members / employees are looking to purchase goods or services from any contractor/supplier on the Suppliers List, then a declaration of interest must be made outlining:
- That approval for use of the Supplier has been received from the appropriate ELT member or Chair prior to the commencement of the works.
 - That no preferential treatment was received in terms of service or cost
 - Where there is inadvertent use of a contractor on the Suppliers List in an emergency situation, our people must notify the appropriate member of ELT / Chair as quickly as possible thereafter and ensure that an appropriate declaration is entered in the register.
- 6.5 Any contractors/supplier not included on the Suppliers List can be used without the need for any declaration/further action. The Suppliers List represents the majority of the contractor/suppliers that we use, but does not include any of our contractor/suppliers that:
- Only provide services of a small value (for example local window cleaners or sandwich shops)
 - Have such a large national or local standing that no favour could ever be realistically gained (for example banks, utilities companies or national chains).
- 7. Declaration of Interest (DOI)**
- 7.1 All employees must ensure that any declarations of interest, as laid out in the Entitlements, Payments and Benefits Procedure, are highlighted to their manager at the earliest opportunity, and Board members will notify the Chair. If the DOI is new, and authorisation is required, the Procedure must be followed.
- 7.2 Employees will complete a DOI form on a bi-annual basis (every 2 years), as per the Procedure to ensure any interests which have arisen throughout the previous 2 years are recorded in the DOI Register. All Board Members will complete this annually.
- 7.3 At Board & Committee Meetings, where a Board Member has an interest in any matter being discussed or considered at a meeting, a declaration of interest must be

Commented [EM1]: This should be annual for Board members

ENTITLEMENTS PAYMENTS AND BENEFITS POLICY

made. The Board Member must not take part in the discussion unless invited to do so by the Chair. As per our Rules it will be at the Chair's discretion whether the Board Member will be permitted to stay in the meeting whilst the matter is being discussed or whether they must withdraw from the meeting. Any declarations made will be recorded in the minute and the DOI Register will be updated after the meeting.

- 7.4 The Code of Conduct for Employees and the Code of Conduct for Board members contains a section on Declaring Interests that should be complied with at all times. The DOI Register will be maintained by the Governance Officer and overseen by the Secretary.

8. Verification and Approval of Registers

- 8.1 The Gifts and Hospitality Registers will be reviewed and signed off after the financial year end. The Employee Register will be signed off by the Director of Customer Services and the Board Register will be signed off by the Chair.
- 8.2 The Declaration of Interest register will be signed off by the Secretary at the end of the financial year as a true and accurate reflection. The Chair will countersign this document.

9. Data Protection (Where Applicable)

- 9.1 This policy complies with our Data Protection Policy and Procedure

10. Monitoring & Evaluation

- 10.1 This policy will be monitored and evaluated by the Senior Management Team on a quarterly basis.

11. Reporting Requirements

- 11.1 A short summary of the total value of gifts and hospitality received and declined by employees will be reported to the SMT on an annual basis.
- 11.2 A short summary of the total value of gifts and hospitality received and declined by Board will be signed off by the Chair on an annual basis.

12. Review

- 12.1 This policy will be reviewed every 3 years or earlier as required