

**THE FERGUSLIE GROUP**

**PROTOCOL FOR DECLARING & MANAGING  
CONFLICTS OF INTEREST POLICY**



**Ferguslie Group**

Approved by FPHA November 2016, adopted by NTC 16 March 2017

Due for Review by January 2019

Signed: Chairperson FPHA

Signed: Chairperson NTC

## **Ferguslie Park Housing Association**

### **Protocol for declaring interests and managing conflicts of interest**

- 1. Background and policy framework**
- 1.1 Ferguslie Park Housing Association's (FPHA's) Rules (based upon the SFHA Charitable Model Rules (Scotland) 2013) require that any person serving on the management committee or any sub-committee must declare any personal or other external interests, both on an annual basis, and on a meeting by meeting basis.
- 1.2 These Rules also require FPHA to set and review a policy on payments and benefits, and no member of the association, employee or committee member may receive any payment or benefit unless it is permitted by the policy.
- 1.3 As a registered charity, FPHA committee members must also comply with the requirements of relevant charity legislation and regulatory guidance in respect of conflicts of interest and receipt of payments and benefits.
- 1.4 FPHA must also comply with the requirements of the Scottish Housing Regulator (SHR) in these areas. With respect to the declaration of conflicts of interest, and payments and benefits, this is set out at section 5.4 of the Regulatory Standards:
  - 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.
- 1.5 In order to fully comply with its Rules, SHR's regulatory requirements and its charity obligations, FPHA has adopted two policies based on model policies developed by the Scottish Federation of Housing Associations (SFHA) and endorsed by SHR: a Code of Conduct for Governing Members (plus an equivalent version for staff), and an Entitlements, Payments and Benefits Policy. These policies set out who should be considered when declaring personal interests, examples of interests that should be declared, when they should be declared, what should be recorded in a Register of Interests, and how any discretionary entitlements, payments and benefits should be managed.
- 1.6 In order to manage potential conflicts in all areas of FPHA's business that need to apply the principles and practises set out in these policies, relevant provisions and cross-references will also be set out in other policies, for example allocations and lettings, property adaptations and improvements, procurement, recruitment, anti-bribery and fraud. Full compliance with these policies is also expected.

## **2. Purpose and scope**

**From March 2017, as the parent company in the Ferguslie Group, FPHA requires any subsidiary companies and staff to adopt this Protocol and apply it. In this protocol FPHA refers to The Ferguslie Group companies and reference to Committees, Sub Committees refer to the governing bodies in the Ferguslie Group. Our people refers to all governing body members and staff members in the Ferguvlie Group.**

- 2.1 The purpose of this protocol is to ensure that all of FPHA's people to whom these policies apply – management and sub-committee members and staff – are aware of what is required of them, are not at risk of breaching the Code of Conduct in this respect, and do not place FPHA at risk of regulatory intervention nor damage to its reputation.
- 2.2 It is the primary responsibility of each individual:
- To recognise situations in which s/he has a conflict of interest, or might reasonably be seen by others to have a conflict;
  - To disclose that potential conflict of interest as soon as it is recognised as such.

## **3. Register of Interests**

- 3.1 It is the overall responsibility of the Group Chief Executive to ensure that a suitable Register of Interests is established and maintained, for the purpose of recording all declared personal interests by committee and staff members, and any entitlements, payments and benefits received that require recording within the terms of our policies. This may be kept in the form of an electronic register.
- 3.2 A standard form for the purpose of making written declarations has been created (see Appendix 1) which must be used and completed in appropriate circumstances. All completed and signed forms should be submitted to the Secretary (currently the Group Chief Executive), who will be responsible for promptly entering all declarations onto the Register. These forms will be filed appropriately (normally in personal files), in secure locations as befits confidential information.
- 3.3 Where a committee or staff member ("our people") have a personal, business or financial interest in any matter that is relevant to our activities, or know that someone to whom they are closely connected has such an interest, it must be promptly declared, and recorded in the Register of Interests.
- 3.4 Our people can potentially be offered benefits over and above that to which they are contractually entitled. Any such offers must be managed and recorded very carefully, to ensure the highest levels of probity in FPHA. Some entitlements, payments and benefits can be permitted, providing certain

conditions or additional requirements are met, and require declaration in the Register of Interests.

- 3.5 It is the responsibility of our people to keep their entry in the Register of Interests complete, accurate and up to date. Any failure to make a complete, accurate and prompt declaration, whether deliberately or through taking insufficient care, will be regarded as a breach of the Code of Conduct.

#### **4. Declaring personal interests**

- 4.1 New committee and staff members are required to complete written declarations of interest, using the standard form at Appendix 1, as soon as they take up their positions, during the initial part of their induction.
- 4.2 Annually, following FPHA's AGM, committee members and staff will be asked to renew their written declaration – the Secretary (Group Chief Executive) will administer this process, and ensure that completed and signed declaration forms are received from all staff and committee members. Even if members have nothing to declare, a completed form must be submitted to this effect. The Secretary will amend the entry in the Register of Interests accordingly.
- 4.3 Our people must declare any new interests as soon as they arise, throughout the year, and amend any existing interests as soon as any change takes effect, submitting the necessary documentation to the Secretary.
- 4.4 If you are present at an FPHA committee meeting where a matter is to be discussed in which you have a personal interest, you must inform the meeting Chair at the start of the meeting, or as soon as you become aware that this is the case. This verbal declaration of interest will be recorded in the meeting minutes, and the Secretary will also record an entry in the Register of Interests, if this is a previously undeclared interest.
- 4.5 If you attend other external meetings on behalf of the management committee, you should apply the same principles and declare any personal interests.
- 4.6 Guidance on what must be declared is provided in Appendix 1, section 2 of the Code of Conduct for Governing Members. Examples are given of the kind of interests that must be declared, and definitions provided of who is "closely connected" to you, who may have personal interests that you should also declare. Further guidance is provided at paragraph 3.7 of the Entitlements, Payments and Benefits Policy. These are reproduced in attachments to the standard FPHA declaration form (see Appendix1).

**5. Approving and recording discretionary entitlements, payments and benefits**

- 5.1 FPHA's Entitlements, Payments and Benefits Policy sets out clearly where entitlements, etc. are permitted to be received by staff and committee members, and also where they are forbidden. It also includes a number of situations where receipt is discretionary, and either requires approval, or the meeting of particular requirements. In all such discretionary situations, any payments made, benefits received, etc. must be declared and an entry made promptly (within 5 days of approval being given) in the Register of Interests.
- 5.2 It is not permitted for any of our people to use the services of any directly employed member of staff for their own personal purposes.
- 5.3 Use of FPHA's contractors and suppliers by our people for their own personal purposes is discouraged, in order to maintain transparency and our excellent reputation. Some large suppliers, where no favour could realistically be gained, or small local providers of services of small value, are excluded from these provisions. To assist staff and committee members, a list of FPHA's current contractors and suppliers who fall under the terms of this policy, and should not normally be used, has been provided (see Appendix 2).
- 5.4 It is recognised that there are circumstances where it might not be possible to avoid the use of these contractors and suppliers, such as where local market conditions make it difficult to find a reasonable selection of potential contractors or suppliers. It may be possible for our people to use these firms in such situations, provided that they can demonstrate that no preferential treatment in terms of price, quality, etc. was gained due to their involvement with FPHA. Advance approval will be required from FPHA's "approving officer", which is the Secretary. A form for the purpose of applying for approval, containing the necessary quotations and declarations, is included in Appendix 2.
- 5.5 Any use of such contractors or suppliers must be declared, and an entry made in the Register of Interests. If this happens inadvertently, e.g. in an emergency situation, then the Secretary should be notified as soon as possible, and a declaration to this effect entered in the Register.
- 5.6 There are a number of circumstances where receipt of payments and benefits by our people is discretionary, and depends on prior approval (either by the management committee or the Secretary as "approving officer"), and on certain conditions being met. These include:
- Voluntary severance payments to staff
  - Offer of employment to someone who is closely connected to a member of staff
  - Offer of a tenancy or lease in our property to one of our people or someone closely connected to them

- Where one of our people is a tenant, receipt of an adaptation or improvement to their home, payment of a decoration allowance, or receipt of a tenant incentive, reward or competition prize
- Attendance at events to mark awards, etc.
- Gifts received from tenants and external sources
- Gifts to our people to mark special occasions
- Hospitality associated with our business
- Seeking donations from our contractors or suppliers for charity
- Sale of our interest in a low cost home ownership property to someone affected by this policy
- Contracting with an organisation where one of our people, or someone connected to them, has significant control
- Referrals under the Scottish Government's Mortgage to Rent scheme

5.7 Detailed information about the circumstances in which such payments and benefits can be made, and the approval arrangements that are required, can be found in Appendix A of the Entitlements, Payments and Benefits Policy. In almost all cases where discretionary payments and benefits are allowed, a declaration of interests must be made and recorded in the Register of Interests. A form for the purpose of submitting a declaration following the approval of a discretionary entitlement, payment or benefit is attached at Appendix 3. This should be submitted to the Secretary within 5 days of receipt of the benefit. The Secretary is responsible for ensuring that a suitable entry is made into the Register of Interests.

## **6. Managing conflicts of interest**

6.1 Where declarations of interest are received, both from staff and committee members, via the annual declaration process (see 4.2 above), it is the responsibility of the Secretary to present such declarations for consideration at the next suitable meeting of the management team, where decisions on any actions required to manage the declared conflicts of interest effectively will be made. Where a management team member has declared an interest, they will absent themselves from the part of the meeting where their conflict is to be discussed, and action agreed.

6.2 Any proposed actions relating to a committee member will be discussed and agreed between the Secretary and Chairperson of the management committee, before the action is confirmed.

6.3 Management actions to be agreed may include:

- Noting the declaration for information.
- Requiring a staff or board member not to become involved in any discussion or decision relevant to the conflict declared (e.g. non-participation in a procurement process where the conflict relates to a tenderer or prospective supplier; in a recruitment exercise where it

relates to a job or committee applicant; in a selection and allocation process where it relates to an applicant for a tenancy or other service, or low cost home ownership purchase).

- Providing feedback to the declarer (by the manager in the case of staff, and the Chairperson in the case of committee members), to communicate the agreed action, or to seek more information, or to explain that such items do not require declaration in future.

- 6.4 Additional declarations made by staff or committee members during the year will be submitted to the Secretary, who will be responsible for consulting with the Director (in respect of staff) or the Chairperson (in respect of committee members) to agree any required management action.
- 6.5 If the declared conflict is both significant and ongoing, the Chairperson may subsequently ask the committee member to consider their position as a member of the management committee.
- 6.6 If a committee member declares an interest at a committee meeting in a matter that is to be considered at that meeting, they must 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 the committee member is inadvertently allowed to stay in the meeting and vote on the matter, their vote will not be counted.
- 6.7 If it is subsequently discovered that a staff or board member failed to declare a relevant interest, this will be raised with them by either their manager or the Chairperson as appropriate, and guidance regarding future declarations offered. If there has been a deliberate or negligent failure to declare an interest, particularly if this risks bringing FPHA into disrepute, this may be investigated under the disciplinary process (for staff) or the Dealing with Breaches of the Code of Conduct process (for committee members), with a view to possible disciplinary action.
- 6.8 Staff and committee members are entitled to see their current entry in the Register of Interests, for the purpose of ensuring that it is accurate, complete and up to date. When staff and committee members leave FPHA, their entry will be retained for a period of five years, following which it will be removed and destroyed. It is the responsibility of the Secretary to ensure that archive records are managed appropriately to this effect.

## **7. Reporting and review**

- 7.1 An annual report will be made to the management committee by the Secretary covering declarations of interest and all discretionary awards of payments and benefits, receipt of gifts and hospitality, etc. This should include the total number of our people to use our contractors and suppliers, including the reasons for approval, and confirmation that no advantage was gained due to an individual's role within the organisation.

- 7.2 The management committee may also require periodic (e.g. quarterly) governance compliance reports to be prepared and submitted to its meetings. Details of declarations of interest made, and confirmation of compliance with this protocol throughout the relevant period, will form part of such reports.
- 7.3 This protocol was approved by the management committee in November 2016, and will be reviewed no later than November 2019.