

1. Introduction

This Policy Affects

- 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

For simplicity, everyone connected to KEY and subsidiaries who is affected by this policy is referred to as “our people”.

About This Policy

This policy is aimed at ensuring that KEY upholds its reputation and that of the sector.

Our people cannot benefit inappropriately from their connection with the organisation.

The policy describes the entitlements, payments or benefits that our people are able to receive. It also describes what is not permitted and our arrangements to ensure that the requirements of this policy are observed.

The Scottish Housing Regulator (SHR) requires us to have a policy that sets out what payments and benefits we permit and to ensure that these arrangements demonstrate transparency, honesty and propriety.

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

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

We expect our people to act in good faith, and in applying the terms of the policy we will always take this into account.

Those affected by this policy are personally responsible for ensuring that you are familiar with and comply with its terms.

We expect a common-sense approach to be applied to the interpretation and application of this policy.

What this Policy Covers

- Managing Your Interests
 - Registering and Declaring Interests
 - Entitlements, Payments & Benefits
- People Connected To You
 - Who Else You Should Consider When Declaring Interests
 - What You Should Consider
- Use of Our Contractors/Suppliers By Our People

Other Relevant Policies

The Code of Conduct for Governing Body Members and Staff is linked to this policy. Failure to comply with the terms of this policy will be regarded as a breach of the Code of Conduct.

KEY's policies relating to the following are also relevant to this document and must be complied with at all times:

- Allocations
- Repairs and Improvements
- Adaptations
- Procurement
- Training
- Expenses
- Recruitment
- Anti – fraud and corruption
- Gifts and Hospitality

Please note that this list is not exhaustive and you are required to comply with all of our policies and procedures.

2. Managing Your Interests

Registering and Declaring Interests

In order to protect our reputation and demonstrate that we conduct our affairs with openness, honesty and integrity, we maintain a Register of Interests. You must record in this register any interests that you or someone connected to you (see Section 3) has which are relevant to our work. You will be required to confirm annually that your entry is accurate and up to date.

Where you have an interest in any matter that is being discussed or considered at a Board meeting, you must declare your interest and play no part in the discussion; where appropriate, you must withdraw from any part of a meeting where the interest arises.

The Code of Conduct also contains a section on Declaring Interests that you should comply with at all times.

An annual report will be made to our Governing Body on entitlements, payments, benefits that have been recorded in the Register.

Entitlements, Payments and Benefits

Many of the interests you will be required to declare can be classed as entitlements, payments or benefits.

Our policy on Gifts and Hospitality details how such matters should be addressed, and notes the recording requirements (further details are given in Appendix A).

Apart from the payments our people are entitled to by contract, statute or other agreement (e.g. salary, expenses), we will only make a payment to, or accept a payment from, someone affected by this policy in exceptional circumstances. 'Appendix A' explains the payments we can and cannot make in more detail.

As we have commercial relationships with many different companies, contractors, suppliers and service providers, you must ensure that we are made fully aware of any connection that you or someone you are close to (see section 3) has with any of these businesses or organisations.

Some entitlements, payments and benefits we can never permit, while for others we have additional requirements or conditions that must be met before we can permit.

Appendix A lists the entitlements, payments and benefits that fall under this policy, and states:

- Which could be permitted by the organisation
- Which will never be permitted by the organisation
- Which you require to declare in the register of interests
- Any other further requirements the organisation has before permitting

3. People Connected To You

Who Else You Should Consider When Declaring an Interest

As well as considering your own actions, you must be aware of the potential risk created by the actions of people to whom you are closely associated. There are three groups of people that you need to consider, outlined in the table below:

Table A

GROUP 1	GROUP 2	GROUP 3
Members of your household	People closely associated with you	Others you need to consider
Anyone who normally lives as part of your household, whether related to you or not, including spouses/partners who work away from home and sons and daughters who are studying away from home.	<ul style="list-style-type: none"> • 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 whom you are dependent on • Close friends. 	<p>Other relatives (e.g. uncles, aunts, nieces, nephews & their partners)</p> <p>Other friends (e.g. someone you are acquainted with socially, neighbours, business contacts/associates).</p>

It is expected that you will be familiar with the actions of members of your household (Group 1) and of any other people listed in the table above with whom you are closely associated and/or in regular contact, and you must take steps to identify, declare and manage these.

However, it is understood that you will not always be closely acquainted with, or in regular contact with, all of the people listed., and you are not expected to be aware of the actions of people in groups 2 and 3 that you do not have a close association and/or regular contact with.

When considering your actions, you should do so from the point of view of a reasonable and objective observer, and a common sense approach should be adopted at all times.

What You Need To Consider

The following are the actions and involvement by those to whom you are closely connected that, should you become aware, we would expect you to notify us by making a declaration in the register:

- Application for / tenancy of a property (by you or someone to whom you are closely connected) of which we are the landlord, and adaptations and improvements.
- Request for / receipt of support services from us.
- Application for employment with us.
- Voluntary work with another RSL or with an organisation that does, or is likely to do, business with us.
- Membership of the governing body of another RSL, and nomination to join our Board, or any subsidiary.
- Being an elected member of any local authority where we are active.
- If you purchase goods or services from us, or from one of our approved contractors.
- Significant interest in a company that we do business with, such as a significant shareholding or financial interest, involvement in managing / tendering.
- Unresolved dispute relating to the provision of services in connection with a tenancy or occupancy agreement or a contractual dispute over the provision of goods or services with us.
- Offers of significant hospitality – where this could be seen as improperly influencing the normal working of the organisation.

4. Use of Our Contractors & Suppliers

Where possible you should avoid using the organisation's contractors or suppliers (see list at App B) for your own personal purposes.

We recognise that there could be certain circumstances where it might not be possible for you to avoid the use of all the contractors/suppliers on this list, such as where market conditions in your local area make it difficult to obtain a reasonable selection of potential contractors or suppliers. Under such circumstances you could be permitted to use those contractors/suppliers outlined at Appendix B, provided you declare that you received no preferential treatment in terms of price, quality or any other aspect of service delivery due to your involvement with us.

Approval to use those contractors listed at Appendix B is at the discretion of the Secretary. In order to be granted approval, you will be required to confirm that there is no reasonable alternative contractor/supplier providing the service required in your local area, and that you will receive no preferential treatment in terms of service or cost.

The Secretary will consider the level of potential reputational risk or any potential conflicts of interest that may arise by granting approval and, if granting approval, consider the steps required to mitigate against future conflicts of interest, such as ensuring that the individual is not involved in any transactions with or decisions about the contractor/supplier in question on behalf of the organisation.

The total number of our people to use contractors and suppliers, including the reasons for approval, and confirmation that no advantage was gained due to an individual's role within the organisation will be formally reported annually to our Governing Body.

If you intend to purchase goods or services from any contractor/supplier on this list then you must make a declaration in the register outlining:

- That you have received approval from the Secretary prior to using the contractor/supplier.
- That you received no preferential treatment in terms of service or cost
- Where you inadvertently use a contractor on the list at Appendix B in an emergency situation, you must notify the Secretary as quickly as possible thereafter and enter an appropriate declaration in the register.

4.5 Any contractor/supplier not included on the list at Appendix B can be used without the need for any declaration/further action.

5. Review

5.1 Our Rules require the Governing Body to set our policy on payments and benefits and keep it under review. This policy has been approved by our Governing Body and is consistent with the requirements of our Codes of Conduct for Governing Body Members and for Staff. These Codes have been confirmed by the Scottish Housing Regulator as meeting their regulatory requirements.

5.2 This policy was adopted by our Governing Body on 16 March 2016. It will be reviewed annually.

KEY - Entitlements, Payments & Benefits Policy

Appendix A – Entitlements, Payments and Benefits

EXAMPLE	CAN THIS BE PERMITTED?	FURTHER ACTION NECESSARY BEFORE THIS WILL BE PERMITTED?
HUMAN RESOURCES AND RECRUITMENT		
<p>All entitlements arising from your contract of employment with us or one of our subsidiaries, including (but not restricted to):</p> <ul style="list-style-type: none"> • Payment of salary to staff • pension provided as part of the remuneration package; • books and equipment in connection with employment or training in accordance with agreed policies and/or contractual terms • Salary advances up to £250 	Yes	None
<p>All payments made in accordance with the terms of our expenses policy including:</p> <ul style="list-style-type: none"> • payment of permitted out of pocket expenses • reimbursement of travel costs 	Yes	None
Provision of a loan by the organisation to one of our people	No	This is not permitted unless in connection with the contractual terms of employment. We cannot make any other loans to individuals.
Voluntary severance payment to an employee	Yes	<p>We can make a voluntary severance payment to an employee which is outside the terms of their contract of employment provided:</p> <ul style="list-style-type: none"> • It arises directly from a decision to terminate the employee's contract of employment • Payment is approved by the Governing Body • 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)

KEY - Entitlements, Payments & Benefits Policy

EXAMPLE	CAN THIS BE PERMITTED?	FURTHER ACTION NECESSARY BEFORE THIS WILL BE PERMITTED?
		<ul style="list-style-type: none"> • Payment does not exceed the equivalent of one year's salary for the employee • That this payment is instead of (rather than additional to) any redundancy entitlement
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: <ul style="list-style-type: none"> • 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 Head of HR and • You record your connection to the successful applicant in the register within five days of their acceptance of the offer.
The offer of employment to someone who is, or has been in the last twelve 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.
Appointment of one of our staff members to the Governing Body	No	This cannot be permitted in accordance with the Rules of the organisation.
Nominations to join the Governing Body from people who are connected to a serving member.	Yes	This can be permitted in accordance with the Rules of the organisation.
OUR PEOPLE AS TENANTS OR SERVICE USERS		
The offer of a tenancy or lease in one of our or any of our subsidiaries' properties to one of our people or to someone closely connected to them.	Yes	This is permitted as long as <ul style="list-style-type: none"> • 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

KEY - Entitlements, Payments & Benefits Policy

EXAMPLE	CAN THIS BE PERMITTED?	FURTHER ACTION NECESSARY BEFORE THIS WILL BE PERMITTED?
Where one of our people (or someone connected to one of our people) is a tenant and receives a repair, improvement or adaptation to their home	Yes	<p>Repairs carried out in accordance with our policy do not need to be recorded.</p> <p>Adaptations must comply with our policy and be approved by the Secretary. The adaptation should be recorded in the register of interests within five days of approval.</p> <p>Improvements must be carried out as part of an approved programme and in accordance with our policy. The person affected should declare their interest if/when the programme is being discussed and the improvement recorded in the register of interests within five days of completion</p>
Where one of our people (or someone connected to one of our people) is a tenant and receives payment of a decoration allowance, tenant reward/incentive as part of an agreed scheme or prize.	Yes	Payment of decoration allowances or incentive/reward payments must be made in accordance with our policies and procedures and recorded in the register within five days of receipt.
TRAINING AND EVENTS		
Attendance at training events or seminars (e.g. SFHA Conferences) or openings/similar events hosted by other RSLs	Yes	None.
The organisation 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	None
Attendance by you at events to mark awards, achievements or other significant milestones relevant to our business.	Yes (where not exceeding £500)	This requires prior management/Board approval as appropriate, and the organisation should make the arrangements.:

KEY - Entitlements, Payments & Benefits Policy

EXAMPLE	CAN THIS BE PERMITTED?	FURTHER ACTION NECESSARY BEFORE THIS WILL BE PERMITTED?
GIFTS AND HOSPITALITY		
<p>Gifts and hospitality are covered in our Gifts and Hospitality Policy, which is reproduced here for convenience.</p>	<p>Yes</p>	<p>KEY recognises the importance of, and is committed to, the highest level of accountability and probity in all of its activities. This policy seeks to reflect this in relation to gifts and hospitality.</p> <p>For members of the Management Committee and staff, gifts of significant value should be refused. KEY has a policy of presenting retiral gifts to staff (up to £100.00 value), and this policy also applies to members of the Management Committee who are retiring from serving on the Committee (with the Chairperson exercising discretion in situations of relatively short (5 years or less) service).</p> <p>Flowers and similar gifts relating to special events or exceptional circumstances are acceptable gifts. It is recognised that there are occasions when workers and tenants exchange gifts (e.g. Christmas and birthdays). The giving and receiving of inexpensive gifts (e.g. chocolates and flowers) is quite acceptable, but should be noted in supervision at service level. A formal record is not required of the giving of small, inexpensive gifts by Committee members to tenants and people we support.</p> <p>In relation to hospitality, Committee members and staff should exercise extreme caution when an offer of favour or hospitality is made, particularly where this could be seen as improperly influencing the decision making process or the normal working of the Association. Any such offers should be reported to the Secretary for recording and notification to Management Committee as appropriate. Hospitality such as business lunches 'out of</p>

KEY - Entitlements, Payments & Benefits Policy

EXAMPLE	CAN THIS BE PERMITTED?	FURTHER ACTION NECESSARY BEFORE THIS WILL BE PERMITTED?
		office' should normally be declined. KEY shall maintain a register for such recordings.
Our people seeking donations from our contractors/suppliers when fundraising for charity	Yes	This is permitted provided: <ul style="list-style-type: none"> • Approval is gained from the Secretary prior to making any approach • Any donations received are recorded in the register
PROCURING GOODS/SERVICES		
The organisation entering into a contract with an organisation where one of our people, or someone connected to them, has significant control.	No (in almost all cases)	This is not permitted in almost all circumstances. We could only consider this where: <ul style="list-style-type: none"> • 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 • There is no reasonable alternative (e.g. because of geography or the specialist nature of the goods/services) <p>In such rare circumstances, the appointment would be recorded in the register along with details of the process followed.</p>
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	None
The purchase of goods/services from our suppliers/contractors by one of our people	Yes	This should normally be avoided, and will only be potentially permitted if the procedure identified in Section 4 is followed