

NEXT STEP HOMES LIMITED

SCHEDULE 7 TO THE HOUSING (SCOTLAND) ACT 2001

POLICY ON PAYMENTS, BENEFITS AND CORPORATE ACCOUNTABILITY

1. Introduction

Next Step Homes Limited (hereinafter referred to as “NSH”) has adopted this policy on payments and benefits to ensure that Committee members, agents and any future staff understand and adhere to the requirements of Schedule 7 to the above Act and to Communities Scotland Guidance Note 2003/02.

2. Policy Statement

NSH will not make payments or grant benefit to a relevant person or relevant persons as herein defined, which would breach Schedule 7 to the Housing (Scotland) Act 2001, subject to Communities Scotland permitted exceptions. NSH will have the appropriate policies and safeguards in place to ensure that Committee members, managing agents and staff conduct its business properly with integrity and without conflict of interest. NSH recognises that it is the responsibility of each individual Committee member and member of staff, whether employed by NSH directly or by a managing agent, to draw to the attention of the Committee of Management any situation which could be considered a conflict of interest. All formal agenda papers will include a statement reminding Committee of the need to declare relevant interests.

3. Examples of Payments and Benefits

Any payment by or on behalf of NSH is potentially subject to the constraints of Schedule 7 to the Act. The following are examples of more common forms of benefit which might be covered:-

- a) Granting a tenancy or shared ownership interest
- b) Selling or buying property
- c) Awarding a contract for employment
- d) Awarding a commercial contract
- e) Permitting the use of premises, facilities or staff for non NSH business
- f) Giving and receiving of gifts or hospitality.

4. Scope of Policy

This policy applies to the following persons and businesses (hereinafter referred to as “relevant person” or “relevant business”):-

- a) Member of the Committee of Management
- b) An employee of NSH, or of another registered social landlord appointed by NSH as their managing agent
- c) Someone who has been a Committee member or employee in the previous 12 months
- d) A close relative of a Committee member or employee
- e) A business trading for profit which has a person in category a, b or c or a close relative of a staff member or a member of Committee where that relative is the principal proprietor or is directly concerned with the management of that business.

5. Exceptions

In the following circumstances, exceptions can be made to the general rule:-

- a) Payments or benefits to members of staff in accordance with the Contract of Employment. Awards of special bonuses or payment of expenses to staff which are not allowed for in the Contract of Employment cannot be made however.
- b) Payment of out of pocket expenses for Committee members. It is expressly provided that Committee members receive payment for out of pocket expenses for travel and subsistence provided such payments are in accordance with the NSH adopted policy on the Payment of Expenses to Committee Members.
- c) Granting a tenancy or a shared ownership interest to a relevant person. A relevant person is entitled to make application to NSH and be dealt with in accordance with its scheme of allocation. The relevant person however can have no involvement or influence over the allocations process and such allocations will be made directly by the Committee of Management in accordance with the procedure set out in the appendix to this policy.
- d) Granting a contract of employment to a former employee, either of NSH or its managing agent, a close relative of an existing employee or a close relative of a former Committee member within the 12 month exclusion period referred to in paragraph 4c) above provided there is an open and fair selection process. This exception will not apply where the contract of employment relates to a post at Senior Management level (i.e. at Departmental Director or above) in either NSH or its duly appointed managing agent.

- e) Making a payment or providing a service to a relevant person who is also a tenant or where that payment arises from or pertains to the tenancy of the property being tenanted (e.g. an adaptation or decoration allowance).
- f) The making of a voluntary severance payment to an employee which was outside the contract of employment. This must arise directly from NSH's decision to terminate the contract of employment.
- g) Making a payment or granting a benefit to a relevant business where Committee members have close relatives who are providers or are directly concerned with the management, are not involved in any aspect of the contract procurement or any aspect of management of the contract and provided the procurement process can be seen to be fair and competitive.
- h) Corporate promotion and sponsorship. NSH can support local activities, clubs or teams which are connected to the community in which it operates, notwithstanding the fact that employees of NSH or its managing agents or Committee members may be associated therewith. Employees or Committee members cannot receive prizes as individuals or as part of a team nor must they be part of the decision to award a prize or donation.
- i) Parties and celebrations. NSH may wish to hold special events from time to time to celebrate particular occasions, e.g. the opening of a new development. The budget for each event will be agreed by the Committee of Management and no relevant person will be entitled to any benefit which is not also available to all those participating in the event.

6. Recording Exceptions

Where exceptions are made in accordance with the foregoing paragraph, such exceptions will be recorded in the minutes of the appropriate Committee meeting when the decision was made and any register of benefits or payments maintained in the office for that purpose. This register will be available for inspection at all reasonable times.

7. Breaches of Policy

Employees of NSH and their managing agents will be subject to disciplinary action in the event of their breaching the terms of this policy. A Committee member who knowingly breaches the conditions of this policy may be removed from office in accordance with NSH's procedures on Removal of a Committee Member.

8. Monitoring and Review

The Chief Executive of the managing agents is meantime responsible for maintaining the register and reporting on entries in the register on an annual basis to the Committee of Management. The effectiveness of the policy will be reviewed every 3 years by the Committee of Management.

Date Approved by Committee of Management: 07.05.08
Review Period: 3 Years
Date Due for Review by Committee of Management: May 2011