



CODE OF CONDUCT

Introduction

- 7.1. This Code of Conduct applies to all board members and staff of all organisations within the Group.
- 7.2. The purpose of this Code is to ensure that the highest standards of conduct and probity are maintained by all board members and employees of the Group and by the Group itself. This is particularly important in the current rapidly changing regulatory environment, in order to ensure that the interests of the Group and its residents remain at the forefront of all decisions.
- 7.3. The Boards of TVHA and TVCHA have chosen to adopt and comply with the National Housing Federation's Code "Excellence in Standards of Conduct". One of the Tenant Services Authority (TSA's) objectives is to "ensure that registered providers (RPs) of social housing are financially viable and properly managed". Although the TSA will shortly cease to operate, its regulatory standards will remain. Compliance with the NHF Code will demonstrate the Group's excellent standard of conduct.
- 7.4. All Group board members and staff must maintain the standard of conduct set out in this code. They must not put themselves in a position where their duty to the Group and their personal or professional interests do, or might, conflict; or where they might obtain personal gain of any sort, or receive any benefit, through their membership of, or employment by, the Group.

- 7.5. The TVHA Code of Conduct follows the same framework as the NHF Code. It sets out Group's expectations of all board members and staff, the way in which compliance with the Code will be reported, and what consequences may follow a breach of the Code.

Declaration and handling of interests by Board and Committee Members

- 7.6. All board and committee members of all Group organisations must always act in the best interests of the association of which he or she is a member. It is a board member's duty to act only in the interest of the association and not on behalf of any constituency or interest group, nor for any personal interest or benefit.
- 7.7. Board and committee members' personal interests must be carefully managed to protect the organisation and individual involved from any appearance of impropriety.
- 7.8. Every board and committee member must inform the Group Secretary of all relevant personal interests and all actual, potential or perceived conflicts of interest must be declared. The Group Secretary will record all declarations in a register of declared interests, which will be published annually by the parent board. These declarations should include the interests of closely connected people - family members, such as spouse or partner and close relatives, as well as close friends and business colleagues. Personal interests can take many forms, and the following are examples:
- i) Employment, ownership or significant shareholding in an organisation providing products, advice or services to the Group – for example one of TVH's contractors, suppliers or advisors;
 - ii) Significant ownership of land and/or property in the Group's area of operation;
 - iii) Tenancy or leasehold interest in a property owned or managed by the Group, for example being a tenant, shared owner or leaseholder of a TVH property;
 - iv) Membership of a campaigning residents' or community organisation which has interests in the business and/or operation of the Group, for example a local tenant group or local society;
 - v) Membership of a local authority, another public body, or another provider of social housing with interests in the Group's area of operation, for example working for a local RP or being a local councillor;
 - vi) Membership of political parties and pressure groups;
 - vii) Membership of other boards or committees within the Group.

- 7.9. To facilitate maintenance of the register of declared interests, board and committee members must complete an Annual Declaration of Interests Return. This return updates board member's information and ensures that all personal interests and actual, potential and perceived conflicts of interest are disclosed and recorded in the register.
- 7.10. Should the interests of a member, or closely connected person, change such that a conflict is potentially serious or continuing they should take necessary advice and consider standing down from the relevant board.
- 7.11. The Standing Orders and paperwork relating to board appointments include the requirement for all personal interests to be declared prior to appointment. The Group Remuneration & Nominations Committee will give careful consideration to any actual or potential conflict of interest prior to recommending an appointment to the relevant Board.
- 7.12. In the event of the Board discussing a matter in which a board member or a closely connected person has an interest (even if it is already entered in the register) they should declare it to the Chair, preferably at the beginning of the meeting. Where the interest is financial or where personal benefit may arise or be seen to arise, the board member should take no part in the discussion or the decision. The board member may be asked to withdraw from the meeting for the discussion. The decision of the board regarding withdrawal or attendance for the item of interest will be recorded in the minutes. The minute about which the interest is declared will be deleted from the interested member's set of minutes and any reports relating to the matter will not be sent to the interested member.
- 7.13. All relevant declarations of interest given before or during meetings and the action taken by individual board members to prevent any conflict will be recorded in the minutes, and the declarations will be recorded in the register.
- 7.14. Resident board members do not need to declare an interest in matters affecting residents generally, unless they create a specific conflict of interest. However, specific matters affecting their individual circumstances should be declared as a clear and substantial conflict.
- 7.15. If an individual board member is found to have withheld information, or provided misleading information, about a personal interest, or those of a closely connected person, the board should consider removal from membership. This process would follow the provisions set out within the Rules of the Association.

Remuneration of board members and executive staff

- 7.16. The board recognises the public and reputational interest which attaches to Board and executive staff payment. The overall package of pay and benefits awarded to executive staff should facilitate the attraction and retention of appropriately qualified and skilled executive staff; and should be set in line with the remuneration Structure. The level of board remuneration should recognise the complexity, size and governance demands of the organisation. Decisions regarding remuneration should be, and be seen to be, transparent, fair and proportionate.
- 7.17. The board is responsible for setting TVHA's overall remuneration budget.

Board members

- 7.18. TVHA and TVCHA decided in 2005 to pay its board members and followed the guidance published at that time to set appropriate remuneration rates and received the necessary approval from the then, Housing Corporation.
- 7.19. The Group Remuneration & Nominations Committee has delegated authority to review board remuneration. In doing so they take independent advice and consider published guidance and industry norms.
- 7.20. The Group will disclose in its published accounts each year, the level of payment made to individual board members and to the board as a whole. The disclosure will include:
- i) The amount paid and how it is calculated;
 - ii) The proportion which the total amount paid forms of the association's annual turnover;
 - iii) The arrangements for review and for performance assessment of individual board members and for the board as a whole and whether payment of board directors remains appropriate.

Executives

- 7.21. TVHA's Remuneration Policy and other policies associated with the remuneration, recruitment, terms and conditions, and severance terms for the executive team will take account of the provisions set out within the NHF Code of Conduct.
- 7.22. The board has delegated responsibility for setting the remuneration, recruitment and severance terms of the executive team to the Group Remuneration & Nominations Committee, who will take appropriate advice in carrying out these tasks.

- 7.23. The chief executive's remuneration will be disclosed annually in the association's published accounts.

Non-contractual payments to staff

- 7.24. TVHA has established fair and open remuneration policy, which includes provision for bonus and ex-gratia payments. TVHA's severance policy, includes early retirement and redundancy provisions. These policies limit the necessity for discretionary, non-contractual payments. However, there are some circumstances where, in the interests of efficient and effective management, it is appropriate to consider making a discretionary payment. Any discretionary non-contractual payment will be carefully scrutinised and handled to avoid any suggestion of impropriety or discrimination, and the level of any such payment should be set to avoid any reputational risk to the Group or sector. Examples of non-contractual payments, which may arise are:
- i) Bonus payments upon evidence of exceptional performance or in exceptional circumstances;
 - ii) Ex gratia payments, where no other options exist to reward or compensate staff in the light of exceptional performance or in exceptional circumstances;
 - iii) Severance and redundancy payments, where professional advice should be taken and best practice followed. Particular caution should be exercised where staff are subject to disciplinary action;
 - iv) Out of court settlements, where independent legal advice should be taken.
- 7.25. The annual total of any severance and redundancy payments should be disclosed in the published accounts.
- 7.26. Any non-contractual payment to, or settlement with, a member of staff below executive grade, other than de minimus amounts, should be considered and approved by the Executive Team.
- 7.27. Any non-contractual payment to, or settlement with, a member of the Executive Team should be considered and approved by the Group Remuneration & Nominations Committee.
- 7.28. Any non-contractual payment or settlement, whether considered by the Executive Team or Group Remuneration & Nominations Committee will take account of the provisions within the NHF Code of Conduct. In particular the level of any redundancy or severance payment, or out of court settlement, should take account of the reputational risk to the Group and/or sector.

Grant of benefits

- 7.29. The reimbursement of expenses, incurred in the normal course of business, is covered in terms and conditions for staff, and the expenses policy for board members.
- 7.30. Occasions will arise where individual decisions need to be taken about the grant of benefits to staff, board members or closely connected people. For example:
- i) Support for social or welfare purposes for the provision of reasonable benefits where they are warranted. This may be for a staff social or sporting event, the use of premises or staff time for a leaving party or gift to a long serving member or staff, or flowers for a sick employee or to celebrate a birth etc. In these cases the expenditure must be approved by a senior manager or executive. There is no requirement to record this expenditure or report it to board other than in exceptional or potentially controversial cases.
 - ii) Housing accommodation – guidelines are set out in appendix ix – “Housing accommodation” to facilitate the housing of, or sale of homes to, staff, board members or closely connected persons. Any member of staff who wishes to apply for housing (either rented or purchase) with the Group, for themselves or a closely connected person, should approach their line manager, who will advise them of the guidelines. Executive approval is required for housing any member of staff (or closely connected person) up to and including senior management. Board approval (delegated to the Group Remuneration & Nomination Committee) is required for housing an executive or board member (or closely connected person).
 - iii) Employment - guidelines are set out in the Recruitment and Selection Policy to cover the employment of people who are closely connected to a member of staff or a board member. As a general rule people who are closely connected to an executive director or board member will not be offered employment.
 - iv) Provision of services – board members will not be paid for services provided to the Group, other than remuneration and expenses allowed under their service agreement.

Standards of Behaviour

- 7.31. The Group has established a set of values which all staff and board members follow. These are:
- i) Respect - value and respect others' individuality and culture
 - ii) Enabling change – inspire people to make things better
 - iii) Accountability – be open and take responsibility in what we do
 - iv) Customer focused – understand the aspirations of our customers
 - v) Honesty – flourish in a transparent environment of trust and integrity
- 7.32. In addition to these established values the Group expects its staff and board members to observe the following general standards:
- i) Respect – TVHA does not tolerate unprofessional or discourteous behaviour by board members and staff in their dealings with colleagues, staff, residents and stakeholders;
 - ii) Impartiality - staff delivering services to residents should always act in an efficient and impartial manner, avoiding any personal relationship which may give rise to a conflict of interest or the appearance of such a conflict;
 - iii) Equality and diversity – TVHA has an equality and diversity policy which all staff and board members are aware of and which should be followed by all Group staff and board members;
 - iv) Toleration – racist, sexist, homophobic and other discriminatory behaviour will not be tolerated from staff, board members, residents, outside contractors, consultants or agencies.
 - v) Tendering and purchasing – TVHA has a tendering procedure, which can be found at appendix [x] to provide for fair and impartial procurement of services and goods.
 - vi) Conflicts of interest – staff should take particular care to avoid any suggestion of impropriety in their relationship with individuals or companies, who provide goods or services to TVHA or TVCHA. Where a conflict, or potential conflict, of interest arises it should be declared to the Group Secretary, using the “declaration of interests” form, which can be downloaded from the intranet. All declared interests are recorded on the Register of Declared Interests, which is published annually.
 - vii) Outside activities - board members and staff should manage their personal interests to prevent and avoid any conflict, or perceived conflict, with the interests to the Group. Should any conflict arise they should declare it as set out in

paragraph vi) above. They should avoid engaging in outside activities that could bring the Group into disrepute or adversely impact on their work and/or contribution to the Group.

- viii) Payment – Human Resources policies cover arrangements for paid or unpaid leave to cover outside paid employment, service as local councillors, magistrates, school governors etc, jury service, volunteering, use of office facilities, and political campaigning.
- ix) Gifts and Hospitality – receipt of gifts and hospitality by staff and board members is covered in the Gifts and Hospitality Policy at appendix [viii]. All gifts and hospitality received must be recorded in the electronic register of gifts and hospitality.

Guidelines for gifts and hospitality offered by the Group's staff and board members are included in the Gifts and Hospitality Policy and all gifts and hospitality offered by the Group should be recorded in the register.

A gifts and hospitality report is made to the Group Audit & Risk Committee annually and the registers are available for inspection by the regulator and others with a legitimate interest.

- x) Openness and confidentiality - the Group's Accountability Statement is at Appendix [xi], and is available to all stakeholders. The Group aims for maximum openness in the operation of each Association's Board and Board items will be available for inspection wherever possible. Board agendas, and most minutes and reports are published on the intranet. Within this, however, confidentiality of tenants, staff and agencies with which the Group works will be respected.

All staff and board member's contracts of employment or service agreements set out the requirements for the treatment of confidential information, and the Group has a policy covering data protection, confidentiality and access to information, which is followed by all staff.

- 7.33. The Group has adopted a Public Interest Disclosure (Whistle blowing) Policy, which can be found at Appendix [ii].

Compliance with the Code and breaches

- 7.34. In order to facilitate compliance with the disclosure requirements within the Code, all staff and board members are required to complete an annual disclosure of interests return.
- 7.35. It is the responsibility of the group board to ensure that the proper standard of conduct, and compliance with this code of conduct, is maintained. Material issues will be brought to the board's attention and the board will initiate an appropriate investigation and ensure corrective action is implemented. Currently The Tenant Services Authority (TSA) has the regulatory authority to step in where they consider matters are serious, and invoke statutory powers where there is evidence of mismanagement or misconduct.
- 7.36. It is the responsibility of the Group Secretary to ensure that all staff and board members are made aware of the requirements of this Code of Conduct, and have access to the Code, which is published on the intranet and on the web site. A presentation explaining the Code and the importance of compliance is included in the induction programme for all new staff and board members.
- 7.37. An annual report will be presented to board confirming compliance with the code and itemising any areas where the code has not been fully complied with and the reasons. The annual review will include a compliance statement to be published in the Annual Report.
- 7.38. A review of compliance and disclosure should be included in the audit plan.
- 7.39. TVHA has a procedure for referral and determination of individual cases raising issues of ethics or probity set out in appendix [x] and this procedure will be followed for any alleged breach of this Code of Conduct.