



## **Incommunities Group Ltd**

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### **Code of Conduct (applicable to all Board Members, Employees and Involved Residents)**

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## **CODE OF CONDUCT**

### **BOARD MEMBERS, EMPLOYEES AND INVOLVED RESIDENTS**

#### **Scope of this Code**

This Code covers the conduct required of all individuals directly involved in delivering Incommunities Group's business activities. Except where otherwise indicated, the Code applies equally to Board Members, employees and involved residents

If you have any queries about the application of the code, please seek advice from the Director of Legal and Governance on 01274 254254.

## **CODE OF CONDUCT**

### **BOARD MEMBERS, EMPLOYEES AND INVOLVED RESIDENTS**

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## **A. PREAMBLE**

- A1 This Code defines the conduct required of all individuals directly involved in delivering the business activities of Incommunities Group. Except where otherwise indicated the Code applies equally to Board Members, employees and involved residents. It provides guidance on how to ensure your actions and behaviour are consistent with the Group's values and the high standards of conduct required. Not every situation can be addressed and where not explicitly dealt with Incommunities Group will exercise its judgement guided by the Seven Principles of Public Life. These are set out at Appendix 1.
- A2 Incommunities Group will ensure that a culture of honesty and propriety is maintained throughout its business and that high standard of conduct is sustained by all who work and serve in the organisation. By adopting and upholding this Code, Board Members of Incommunities Group will provide leadership in this area.
- A3 A statement of compliance and commitment will be publicised in all relevant publicity and each year's Annual Report.
- A4 We must at all times have regard to our collective responsibility to uphold the sector's good reputation for honesty and propriety.
- A5 You must familiarise yourself with the contents of the Code and act in accordance with its principles and provisions at all times. Failure to comply with the Code may be an employment or governance disciplinary matter.

## **B KEY PRINCIPLES**

These principles are covered more fully in separate sections of the Code

- 1 General Responsibilities:** you must fulfil your duties and obligation responsibly, acting at all times in good faith and in the best interests of the Incommunities group, its residents and other service users.
- 2 Conflicts of Interest:** You must take all reasonable steps to ensure that no undeclared conflict arises or could reasonably be perceived to arise, between your duties and your general interests, financial or otherwise.
- 3 Bribery, gifts and hospitality:** You must not offer, seek or accept bribes or inducements to act improperly or corruptly. You must not seek or accept gifts, hospitality or other benefits from individuals or organisations that might reasonably be seen to compromise your judgement or integrity or place you under an obligation to those individuals or organisations.
- 4 Funds and resources:** you must not misuse the Group's funds or resources.
- 5 Confidentiality:** You must handle information in accordance with the law and the Group's policies and procedures.
- 6 Respect for others:** You must treat others with respect at all times.
- 7 Relationship between Board members, employees and involved residents:** Board members, employees and involved residents must maintain a constructive, professional relationship based on a sound understanding of their respective roles.
- 8 Relationship with residents and other service users:** You must maintain high standards of professionalism, fairness and courtesy in all your dealings with residents and other service users.
- 9 Health, safety and security:** Your conduct must not endanger the health, safety or security of yourself or others.
- 10 Conduct at meetings:** Your conduct at Board and other meetings must meet a high standard of integrity, commitment and courtesy.
- 11 Representing the Group:** In representing the Group at external events and in dealing with outside bodies, you must uphold and promote Incommunities' values, objectives and policies.
- 12 Learning and development:** In partnership with the Incommunities group, you must take responsibility for your own learning and development, regularly updating and refreshing your skills and knowledge.

- 13 Confidential reporting (including whistle blowing):** You must report any reasonable and honest suspicions you may have about possible wrongdoing.
- 14 Remuneration:** Remuneration decisions must be lawful, transparent, fair and proportionate.
- 15 Personal benefits:** We must demonstrate that Board members, employees, involved residents and those with whom they are closely connected, receive no preferential consideration in the provision of benefits such as housing accommodation and employment.

## GENERAL RESPONSIBILITIES

**You must fulfil your duties and obligations responsibly, acting at all times in good faith and in the best interests of the Incommunities Group, its residents and other service users.**

- 1.1 You must comply with the law, your terms of appointment and the Group's policies and procedures relating to your role.
- 1.2 You must not conduct yourself in a manner that could reasonably be regarded as bringing the Group into disrepute. This includes membership of, or participation in, activities organised by groups or organisations whose values are inconsistent with the Group's, which could create reasonable doubt in your ability to comply with its values and this code.
- 1.3 You must not bring the Group's name into disrepute or affect its integrity by your actions or words, either within the organisation or outside. This includes the use of, or entries on any social networking sites.

This includes making derogatory comments about the organisation, its residents or other service users, partners, employees or services, either in person or in writing or via any web-based media such as a personal blog or other site. This also applies if you do not name Incommunities Group or the individual, but where identity can be reasonably inferred, or where you use a pseudonym but your identity can reasonably be inferred.

If you have a genuine concern about possible wrongdoing, you must report it to the most appropriate senior person in the organisation (see also section 13).

- 1.4 You must not act in a way that unjustifiably favours or discriminates against particular individuals, groups or interests.
- 1.5 You must not act outside the Group's' established procedures in any matter concerning any resident or any other service user.
- 1.6 You must not misuse your position e.g. by using information acquired in the course of your duties for your own private interests or those of others.
- 1.7 You must accept the principle of corporate responsibility and collective decision making. This means that once the Board has made a decision you must support that decision.
- 1.8 You must not engage in any political or campaigning activity that might compromise the position of Incommunities Group. You must ensure that the Incommunities Group cannot be brought into the political arena

or have its reputation or status damaged by your political activities. If you intend to stand for political office you should discuss the matter with your Chair, line manager or the Director of Legal and Governance as appropriate.

- 1.9 If you are a **Board Member** and take up new employment or appointments you must make any necessary declaration of interest. Any such work or position must not interfere with your role as a Board Member.
- 1.10 If you are an **employee**, you must consult your manager before taking on any outside work or any position, paid or unpaid. Any such work or position must not interfere with your existing job or conflict with the interests of your job or Incommunities Group (e.g. under working time directives).
- 1.11 If you are offered payment for speaking on the Group's related activities, the sums obtained must be paid to Incommunities Group.
- 1.12 You must not make use of any of the Group's resources, such as time resources, equipment, telephones, postage, copying etc. In connection with any outside paid work. This applies to unpaid or voluntary work unless you have obtained permission from your Chair, Line Manager or the Director of Legal and Governance.
- 1.13 You must not give any statements or comments to the press or other media outside of the Group's agreed Media Protocol.
- 1.14 You must maintain high standards of personal conduct, showing courtesy, reliability, and punctuality. Dress and behaviour must be appropriate for the duty or function undertaken and performance must not be affected through the use of alcohol and/or drugs (whether illegal or otherwise).
- 1.15 Where appropriate, breaches of this Code will be dealt with through normal disciplinary procedures.

## 2 HANDLING DECLARATIONS AND CONFLICTS OF INTEREST

**You must take all reasonable steps to ensure that no undeclared conflict arises or could reasonably be perceived to arise, between your duties and your general interests, financial or otherwise (see glossary for a definition of “conflict” and “duality” of interest).**

- 2.1 This section deals with the interests of Board Members, Employees and Involved Residents. It applies to you as an individual and “closely connected persons” (see definition in the glossary).
- 2.2 You must comply with the Group’s policies and procedures for declaring, recording and handling conflicts of interest, including for example, those relating to the application for employment or accommodation with Incommunities Group.
- 2.3 You must declare all relevant personal interests. In the interests of transparency membership of political parties and pressure groups and membership of other Boards or Committees within the Group should be treated as relevant personal interests.
- 2.4 It is your responsibility to make sure that any declaration of interest is complete, accurate and up-to-date (any changes must be notified to the Director of Legal and Governance within 14 days of the change).
- 2.5 A register of declared interests will be maintained by the Director of Legal and Governance. The Register will state the nature of the declared interests and by whom they are declared (**but excluding potentially sensitive data**). The register will be available for public inspection.
- 2.6 Where conflicts of interest arise or are perceived to arise you must make sure that they are managed to avoid any financial or non financial personal gain (whether real or capable of being perceived) to yourself, or to any close connection.
- 2.7 You should be aware that you are required at all times to act in the best interests of the organisation and that anything which may jeopardize your ability to do so would be a conflict of interest.
- 2.8 Board Members must keep their membership and their interests under review and should take advice from the Company Secretary (Director of Legal and Governance) on whether they should stand down when changes occur either in their own interests or those of a close connection which give rise to an actual or potential serious or continuing conflict with those of the organisation.

## **2.9 Conflicts of Interest arising at meetings**

Where an item of business arises in which you or a close connection has an interest, whether or not already entered in the register of interests, this must be declared and notified to the Chair of the meeting before the matter is discussed. The Chair should notify the meeting if any such interest occurs that affects you. Declaration of conflicts of interest shall be an initial agenda item at the commencement of all Board meetings.

In accordance with the governing document of the organisation if an interest arises at a Board Meeting because you are:

- a tenant but the matter affects all or substantial group of tenants.
- a director or other officer of a company or body which is a parent, subsidiary or associate of another company,
- you are a nominee or elected member of Bradford MDC

Then provided the interest has been properly disclosed you may remain present during the discussion and may vote.

In all other cases you must take no part in the discussion of the item and must not remain present unless requested to do so by the Board.

In making such a request the Board shall consider the actions necessary to avoid any real or perceived conflict arising. Where the declared interest is a financial one or where a personal benefit may arise or be perceived to arise, the Board should not make a request and you must take no part in the discussion. In either case you may not vote on the item.

- 2.10 All relevant declarations of an interest both before and during a meeting, any action taken by a Board Member to prevent a conflict from arising and any decision to request a director to remain and any participation in the discussion shall be formally and properly minuted.

### 3 BRIBERY, GIFTS AND HOSPITALITY

**You must not offer, seek or accept bribes or inducements to act improperly or corruptly. You must not seek or accept gifts, hospitality or other benefits from individuals or organisations that might reasonably be seen to compromise your judgement or integrity or place you under an obligation to those individuals or organisations.**

- 3.1 Giving and receiving gifts and hospitality creates a relationship that could be seen to influence our judgement, or create a view that you are giving or receiving favours, and so should be avoided except in very limited circumstances. A good benchmark to use is to consider whether the Group or the recipient would be embarrassed if the event should become public knowledge.
- 3.2 The following may never be accepted:
- Cash or its equivalent e.g. vouchers of any amount
  - Gifts with an estimated value of £50 or more
  - Anything that is offered as an inducement (that is something given as a means of persuading or as an incentive to do something that you would otherwise not have done)
  - Lavish hospitality or hospitality which could be perceived to influence the way we carry out our duties
  - Personal gifts, gifts to the company or hospitality must not be solicited under any circumstances
- 3.3 The following gifts and hospitality may be accepted and not declared:
- Small personal or promotional gifts of nominal value (e.g. diaries, calendars, stationery etc.) may be accepted by an individual
  - Minor hospitality such as working lunches and light refreshment
- 3.4 The following gifts and hospitality may be accepted and retained but must be declared:
- With the exception of alcohol individual gifts with a value of up to £10 can be accepted and retained or kept in the office (e.g. chocolates, flowers).
  - Hospitality associated with attendance at a relevant conference or course
- 3.5 The following gifts and hospitality may be accepted with the prior approval of the Chair, Group Chief Executive, Assistant Chief

Executive or Director but gifts must be raffled for charity, both gifts and hospitality must be declared:

- Gifts of alcohol and gifts with a value of more than £10 but less than £50
- Hospitality at events where there is a genuine need to represent the Group in the community or to impart information.
- Hospitality at relevant fundraising and Charity events

3.6 Where required under the above rules, gifts and hospitality must be recorded in the register held by Director of Legal and Governance at Head Office for this purpose. Anyone who has received gifts or hospitality required to be declared must record them in the register as soon as practicable:

- The time and date that the gift or hospitality was given or received
- Who has given and who has received the gift or hospitality
- The nature and level of the gift/hospitality

3.7 The total cost of the gift/hospitality should be recorded and not the cost per head.

3.8 The hospitality register will be inspected and signed off whenever the relevant Board meets by the Chair and a nominated member. The Group Chief Executive or a relevant Assistant Chief Executive is to signify that all hospitality/gifts have been of a reasonable and permissible nature.

3.9 Gifts to another individual or organisation are only to be made in exceptional circumstances, with the approval of the Chair or Group Chief Executive.

### **Tendering and purchasing goods and services**

3.10 You must exercise fairness and impartiality when dealing with all consultants, suppliers, contractors and sub-contractors. All orders and contracts must be awarded on merit and in accordance with the Group's procurement process. We must show no special favours to any business with which we or our close connections have some personal or professional connection. This applies equally to any business connected with current or recent former Board Members, employees or their close connections.

3.11 We must avoid the suspicion of impropriety and ensure that:

- We do not arouse suspicion that we have used improper influence, or given any promises of favourable treatment by receiving goods or services free or at a discount, or
- Adverse publicity does not affect the Group arising out of disputes relating to private dealings

## **4 FUNDS AND RESOURCES**

### **You must not misuse the Group's funds or resources**

- 4.1 Resources includes staff; information; telephone; computer and other IT facilities, equipment, stationery and transport.
- 4.2 You must ensure that the Group's funds and resources entrusted to you are used efficiently, economically and effectively.
- 4.3 You must use the Group's policies and procedures regarding procurement, ensuring value for money and fairness in decision-making.
- 4.4 You must take reasonable steps to protect the Group's funds, resources, property and assets from theft, damage and misuse.

## 5 CONFIDENTIALITY

**You must handle information in accordance with the law and the Group's policies and procedures.**

- 5.1 The Group's work involves confidential information about our customers and the organisation's business, and you may also gain information about colleagues and other individuals. It is important that you respect that confidentiality. You should be aware of the overriding legal obligations under Data Protection legislation.
- 5.2 Examples of confidential and proprietary information include:
- information relating to specific individuals and their financial affairs including tenants, residents, employees and Board and committee Members
  - details of contracts for the supply of goods or services
  - financial statements and business projections, including for example the business plan
  - information concerning the terms of negotiations relating to the acquisition or disposal of property
  - marketing plans or strategies
  - new service developments or plans
  - business acquisition plans
  - information concerning legal proceedings
  - software and computer programmes
  - items specifically marked "confidential"
  - matters of funders' or referral agents' business.
- 5.3 It is your duty to keep all such information confidential. This duty applies whilst in employment, in office as Board and Committee Members and involved residents of the Group or any associated company, and also after a period of appointment has terminated, whether voluntarily or involuntarily.
- 5.4 You must not use any information obtained for personal gain or benefit, nor may you pass it on to others who may use it in that way.
- 5.5 If approached by the media or another external organisation you must explain that the Chair, Group Chief Executive, relevant Assistant Chief Executive or Director normally provide statements or comments. You

should then seek their contact details, the issue they are seeking comment on and any deadlines. The Media and Communication Press Officer will co-ordinate any response.

Where it is essential that information is released, it must be with the consent of the individual concerned, except in meeting overriding legal requirements, i.e. in line with Incommunities' Data Protection Policy and Legislation. Board Members should seek the advice of the Company Secretary before making such disclosure.

- 5.6 You must not prevent another person from gaining access to information to which they are entitled by law.

## **6 RESPECT FOR OTHERS**

**You must treat others with respect at all times.**

- 6.1 You must comply with the law and with the Group's policies and procedures relating to equality and diversity. Equality law prohibits discrimination on grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation and impose positive duties to eliminate unlawful discrimination and promote equality. The Group's policies give further guidance.
- 6.2 Incommunities will not tolerate unprofessional or discourteous behaviour in any dealings with colleagues, staff, residents, Board Members or stakeholders.
- 6.3 You must not harass, bully or attempt to intimidate any person. The Group's policies give further guidance.
- 6.4 You must not display materials which other people might reasonably find offensive, or use language which Board Members, work colleagues or customers might reasonably find offensive.

## **7 RELATIONSHIP BETWEEN BOARD MEMBERS, EMPLOYEES AND INVOLVED RESIDENTS**

**Board Members, employees and involved residents must maintain a constructive, professional relationship based on a sound understanding of their respective roles.**

### **Board Members**

- 7.1 You have a duty of loyalty and support towards the organisation and this must be reflected in a constructive, professional relationship with its employees.
- 7.2 You must not go beyond your role as a Board Member and become inappropriately involved in operational matters.
- 7.3 In your dealings with employees, formally and informally, you must set an example by demonstrating the highest standards of integrity and ethics and your alignment with the values, policies and objectives of the Incommunities Group.

### **Board Members and Involved Residents**

- 7.4 Where it is necessary to raise issues of poor staff performance at a formal meeting, these must be raised in a constructive way, aimed at getting things right in future, and not at criticising individuals. Any concerns about the performance of individuals must be discussed in confidence with the relevant Chair, or relevant Director or Chief Executive.
- 7.5 You must not appear to undermine the authority of a senior officer in his or her dealings with a more junior employee.
- 7.6 You must avoid inappropriate familiarity with employees.
- 7.7 You must not ask or encourage any employee to act in any way which would conflict with compliance with this code or the Group's policies and procedures.

### **Involved Residents**

- 7.8 You must not seek to instruct or direct an employee or contractor. The relevant manager or employee must convey all instructions.

### **Employees**

- 7.9 If your work brings you into contact with a Board, a committee or a residents'/service users committee or panel, you must:

- take direction from the Board, or in accordance with any delegated authority of a committee or panel
  - respond constructively to questioning or challenge
  - respond willingly to any requests for information
- 7.10 You must avoid inappropriate familiarity with Board Members and involved residents.
- 7.11 You must not knowingly mislead the Board or any of the Group's committees or panels. In presenting information you must set out the facts and relevant issues truthfully.
- 7.12 You must not use informal channels to influence Board Members on matters of the Group's business.

## **8 RELATIONSHIP WITH RESIDENTS AND OTHER SERVICE USERS**

**You must maintain high standards of professionalism, fairness and courtesy in all your dealings with residents and other service users.**

- 8.1 You must always remember your responsibilities to the residents and communities that Incommunities Group serve and ensure courteous, efficient and impartial service delivery to all groups and individuals.
- 8.2 You must be especially careful of relationships with residents and never allow any personal relationship with a resident to conflict with your duties and responsibilities, or the best interest of any resident. You must never allow yourselves to be compromised by, or take advantage of your relationship with residents.
- 8.3 You must not invite or influence a resident to make a will or trust under which you are named as executor, trustee or beneficiary. If handling a resident's money, you must take extreme care, including receipting every transaction.
- 8.4 You must not receive gifts or loans, and must not give gifts or loans to residents or other service users, other than anything explicitly allowed in the Gifts and Hospitality Protocol.
- 8.5 When handling information relating to residents and other service users you must comply with the law and Incommunities policies and procedures relating to the protection of personal data.
- 8.6 If you are involved in the award of tenancies or allocation of housing you must ensure absolute impartiality in the decision made and avoid any conflict of interest.

## 9 HEALTH, SAFETY AND SECURITY

**Your conduct must not endanger the health, safety or security of yourself or others.**

- 9.1 You must comply with the law and the Group's health and safety policies and procedures and bring to the attention of the appropriate person any risks to yourself or others, in particular:
- where you are provided with protective clothing, this must be worn, and,
  - for your own safety, you must comply with the Group's policy and procedures relating to lone working.
- 9.2 You must comply with the law, and the Group's policies on smoking and on the use of alcohol, illegal drugs and other substances.
- 9.3 You must comply with the Group's policies and procedures relating to the security of premises

## **10 CONDUCT AT MEETINGS**

**Your conduct at Board and other meetings must meet a high standard of integrity, commitment and courtesy.**

- 10.1 You must be courteous to all other attendees, and respect the position of the meeting Chair.
- 10.2 You must not use threatening or aggressive behaviour, or act in a disruptive way.
- 10.3 You must not attend meetings while intoxicated or under the influence of drugs.
- 10.4 Once a Board, committee or panel has properly reached a decision, you must share responsibility for that decision, even where you have not supported it.

## 11 REPRESENTING THE GROUP

**In representing the Group at external events and in dealing with outside bodies, you must uphold and promote its values, objectives and policies.**

- 11.1 You must not become involved in, or be seen to endorse, any activity that may bring the Group into disrepute. This includes but is not limited to illegal, immoral, racist, homophobic, or other discriminatory activity.
- 11.2 In engaging in activities which promote the work of Incommunities Group on the outside world, you must demonstrate commitment and support its values, policies and goals.
- 11.3 In representing Incommunities Group at formal or informal events, you must be appropriately dressed for the occasion.

## **12 LEARNING AND DEVELOPMENT**

**In partnership with Incommunities Group, you must take responsibility for your own learning and development, regularly updating and refreshing your skills and knowledge.**

- 12.1 You must play an active part in any relative performance appraisal processes the Group implements.
- 12.2 You must raise any personal training and development needs, at the appropriate time, so that these can be taken into account for planning and budgeting purposes.
- 12.3 Unless there are exceptional circumstances, you must attend all learning and development events arranged for you alone or as part of a group.

### **Board Members**

- 12.4 You must take responsibility for keeping your knowledge up to date in those areas in which you are a specialist.

### **13 CONFIDENTIAL REPORTING (INCLUDING WHISTLE BLOWING)**

**You must report any reasonable and honest suspicions you may have about possible wrongdoing.**

- 13.1 If you are aware of potentially dishonest or fraudulent activity, or material breaches of this code by Board Members, employees or others, you must report it to the appropriate senior person within the Incommunities Group, or, where appropriate use the Whistle Blowing Policy.
- 13.2 If you believe you are being asked to behave in a way that is in conflict with this Code, you must report it to the appropriate senior person, or where appropriate, via the Whistle Blowing policy.
- 13.3 You must not victimise any person who has, or intends to use the Whistle Blowing policy.

## 14 REMUNERATION

### **Remuneration decisions must be lawful, transparent, fair and proportionate.**

- 14.1 Board Remuneration must be made in accordance with the Group Board Remuneration policy.
- 14.2 A statement will be included in the Annual Report and in the certified accounts disclosing the level of payments made to the Chairs and individual Board Directors.
- 14.3 Executive Remuneration and associated activities, is the responsibility of the Group Board, (and also the appointment of the Chief Executive(s) and the Executive contracts).
- 14.4 The Board may delegate the conduct of these facilities to the HR & Governance Committee in accordance with the Group's Standing Orders.
- 14.5 The Board must ensure that it has adequate skills and expertise and access to advice from suitably qualified persons to ensure this important role is exercised properly, fairly and in line with best practice.
- 14.6 In setting and reissuing the level of remuneration for the Chief Executive and any other Executive staff the Board will give careful consideration to the following:-
- Job content and responsibilities based on an independent analytical job evaluation
  - The size and complexity of the business
  - Market comparisons drawn from independent analysis of appropriate comparators
  - How Executive pay and benefits fit into the overall remuneration policy of the organisation.
  - The impact of overall pay and executive costs on the organisations management costs.
- 14.7 In reaching a decision on the level of remuneration to be offered, the Board must have regard to any reputational risk to the organisation and the sector of setting a level that significantly exceeds that paid in other comparable organisations and/or is disproportionate to the management costs of the organisation.
- 14.8 An annual disclosure of the level of the Group Chief Executives remuneration will be included in the organisation's certified amounts.

14.9 In setting and reviewing terms and conditions for the employment of the Group Chief Executive and other members of the Executive Management Team the Board shall ensure that proper consideration is given to all relevant matters and in particular to:-

- Basic salary level and arrangements for review and the impact of increases and other benefits such as pensions.
- Equality of pay /benefits
- Bonus payments and methods for setting and reviewing objectively measured targets.
- Employer's pension contributions and any additional costs associated with the provision of pensions,
- Any additional benefits to be provided such as car and/or allowances, relocation expenses, health insurance etc.
- Notice periods which should be reasonable and which should ensure that payments in lieu of notice do not exceed reasonable levels
- Severance arrangements, if any, which should be reasonable and fair and should take into consideration the impact of the total cost of severance including the treatment of notice and pension arrangements.

#### **Non Contractual Payments to employees**

14.10 Incommunities Group has adopted fair and open remuneration and severance policies which limit the necessity for discretionary, non-contractual payments. However, it is recognised that situations can arise where, in the interests of the efficient and effective management of the organisation it is appropriate for consideration to be given to making discretionary payments.

#### **Decision Making**

14.11 Other than in respect of very small amounts non-contractual payments shall only be made after the following approval:-

- In the case of non-executive employees by the Group Chief Executive or other members of the Executive management team.
- In the case of the Group Chief Executive or members of the executive management team by the Group Board (which may delegate such matters to the HR & Governance Committee)

## **Bonus Payments**

14.12 Payment of performance awards should normally only be made in accordance with employment contracts or any bonus policy. In the absence of a Policy the Group will only consider making a discretionary bonus payment:-

- On evidence of exceptional performance
- In exceptional circumstances

In any case any payment shall be at a level which avoids any reputational risk to Incommunities or the sector.

## **Ex gratia Payments**

14.13 Incommunities Group has adopted an ex gratia payments policy which provides payment for employees who have suffered a loss in the course of their employment and have no other recourse.

Other than for payments in accordance with this policy the Group will only consider ex gratia payments, no other options exist to reward or compensate staff in the light of exceptional performance or exceptional circumstances. Payments will be one-off payments set at a level which avoids any reputational risk to Incommunities or the sector.

## **Severance and Redundancy Payments**

14.14 Incommunities has adopted policies for Voluntary Severance and Redundancy which are clear, fair and open. Proposals for the award of severance and redundancy payments will be dealt with in accordance with the policies and will always be carefully scrutinised to ensure that they are reasonable, lawful and in the best interests of the organisation.

In considering the amount of any severance or redundancy payment Boards or the Executive Management team, as appropriate, shall ensure that they take advice from suitably qualified persons and act in accordance with published best practice. Boards shall consider the total value of the severance package (including the costs associated with any pension arrangements and the impact of the treatment of notice where appropriate). Particular caution should be exercised in cases where employees are subject to disciplinary action that directly relates to the reason for their departure.

Settlement is likely to depend on a number of factors; those to which the Board should give particular consideration are:

- Reasons for departure and length of service

- Total value of remuneration including benefits such as pension contributions, bonuses, cars and/or allowances.
- Any contractual entitlement to severance or redundancy and length of notice period
- Full costs to Incommunities Group and other impacts of the settlement proposed, including any additional costs (over and above normal employer contributions) associated with pensions
- Legal and financial risks and costs to Incommunities and other impacts of failing to agree a settlement.

The Executive Management team and the Board will take particular care in relation to Executive and senior staff settlements to ensure that there is no appearance of impropriety.

In reaching a decision on the amount of any redundancy or severance payment the Executive management team and the Board shall take account of reputational risk to Incommunities and/or the sector of agreeing to a settlement which significantly exceeds that paid in similar circumstances in comparable organisations.

An annual disclosure of the total of severance and redundancy payments shall be made in Incommunities' certified accounts.

### **Out of Court Settlements**

- 14.15 Where a proposal arises for an out of court settlement in relation to a case referred to an Employment Tribunal (ET), the Executive Management Team (or the Board if the case involves a member of the Executive Management Team) should make sure they are aware of all relevant facts and have the benefit of independent legal advice.

Settlement will only be entertained where the business case substantiates the necessity for early resolution and in particular the evidence and advice received indicates any of the following circumstances:

- Extended delays or protracted proceedings are likely to give rise to substantial costs over and above any predicted ET settlement.
- Operational performance is likely to be adversely affected if the case is not resolved quickly.
- Defence of the action is unlikely to be successful given the nature of the claim.

Incommunities will exercise particular care to avoid any suggestion of secrecy or impropriety where management failings and or poor performance of individual staff members have resulted in the ET action.

In deciding on the amount of any court settlement the Board (or Executive Management Team) will take account of the reputational risk to the organisation and/or the sector of agreeing to a payment that significantly exceeds that paid in similar circumstances in comparable organisations.

### **Payments to residents**

14.16 Payments to involved residents to incentivise or reward participation or other behaviour or activity, whether in cash, vouchers, “cash-back” or entry into prize draws, will take the following factors into account:

- How the reward will enable Incommunities better to meet its aims and objectives;
- The views of residents, other service users and key stakeholders;
- Any published guidelines or sector norms.

14.17 Incommunities will ensure that any reward or incentive scheme or arrangement, and the type and amount of payment are:

- Determined by the relevant Board
- Transparent, fair and proportionate
- Kept under review to test whether outcomes are being achieved in line with expectations
- Not susceptible to abuse
- Not in contravention with any legislation or regulation
- Subject to effective internal and external controls

## **15 PERSONAL BENEFITS**

- 15.1 We must demonstrate that Board Members, employees, involved residents and those with whom they are closely connected, receive no preferential consideration in the provision of benefits such as housing accommodation and employment.
- 15.2 Occasions may arise where individual decisions need to be made about the grant of benefits to staff, Board Members or those to whom they are closely connected. The following sections set out the standards to be observed in handling the main categories of such cases.

### **Support for Social or Welfare purposes**

- 15.3 Incommunities Group permits reasonable benefits to be conferred in suitable circumstances to make lengthy, dedicated or valued service or contribution to the organisation or, to express the support of the organisation to an individual in difficult circumstances.

Benefits may take the form of payment for or provision of staff time or use of premises in order to provide for example, a leaving party or a gift to a long serving member of staff. Benefits conferred under this category shall not exceed £300 per beneficiary per annum.

Incommunities may provide hospitality to employees and Board members up to a maximum value of £250 per person per year and £50 per person per event. This includes social events such as Christmas parties but not working lunches or other events attended as part of normal duties.

Expenditure may be authorised by the Group Chief Executive, Assistant Chief Executives and Directors within these guidelines.

### **Provision of Housing Accommodation**

- 15.4 This section applies to the provision of housing for staff, Board Members or others to whom such persons are closely connected.

Incommunities may grant a tenancy to a person who is a Board Member, employee or involved resident, or who is a person closely connected with a Board Member, employee or involved resident provided that:

- There is disclosure of the person's interest or connection
- The person fully meets the published criteria and priorities by which Incommunities allocates housing

- The person has no involvement in or influence over the process by which Incommunities Group has allocated the tenancy

All decisions to allocate housing in these circumstances must be approved by the Board (who may delegate the decision to a sub-committee) and must be satisfied that the applicant meets all of the selection criteria and that no preferential consideration has been given to the application.

Staff, Board Members, involved residents and others with whom those persons are closely connected may apply for a transfer or re-housing in accordance with the Group's tenancy agreements and policies. The Group may grant a transfer or re-housing provided that:

- There is disclosure of the individual's interest or connection
- No preferential consideration is given to the applicant
- The individual has played no part in nor executed any influence over the handling of their application

### **Employment**

- 15.5 This section deals with the offer of employment to persons who are, or are closely connected to a member of staff, a Board Member or an involved resident.

In any such case an applicant for employment will ensure that:

- There is disclosure of the individual's connection
- Consideration of the application is based solely on merit and suitability in relation to the requirements of the post
- No person having any personal knowledge of the applicant plays any part in the assessment or decision

Provided that the applicant is able to demonstrate that he or she fully meets the requirements of the post, the Group may decide to offer employment.

Where the connection is with a Board Member or senior/executive postholder there is a general presumption against employment.

In the case of senior or executive posts, the decision will be made after full and careful consideration by the full Board.

### **Support for social or welfare purposes**

- 15.6 Incommunities permits reasonable benefits to be conferred in suitable circumstances to make lengthy, dedicated or valued service or contribution to the organisation or, to express the support of the organisation to an individual in difficult circumstances.

Benefits may take the form of payment for or provision of staff time or use of premises in order to provide for example, a leaving party or a gift to a long serving member of staff. Benefits conferred under this category shall not exceed £300 per beneficiary per annum.

Incommunities Group may provide hospitality to employees and Board Members up to a maximum value of £250 per person per year and £50 per person per event. This includes social events such as Christmas parties but not working lunches or other events attended as part of normal duties.

Expenditure may be authorised by Group Chief Executive, Assistant Chief Executives and Directors within these guidelines.

#### **Use of Incommunities Group suppliers**

- 15.7 In your personal life, where possible and where alternatives exist, use of the Group's suppliers\* should be avoided (with the exception of monopolies, utility companies and chain stores). If it is not possible or practical to avoid using the Group's suppliers, you must achieve a separation between your personal purchasing decisions and that of the Group, and observe the following conditions:

- Goods and services may be procured from Group suppliers but only where these are supplied at no more favourable terms than those available to the ordinary public
- Where there is doubt concerning whether or not the terms are more favourable, and the value of the goods and /or services exceeds £100, then in the interest of probity permission should be sought in advance from the relevant senior person

- 15.8 If you have access to confidential information on tender costs or other commercially sensitive information, you must not disclose that information to any unauthorised person or organisation.

*(\* An up to date list of suppliers is held on the Incommunities' Intranet)*

## **16 Compliance and Breaches**

### **16.1 Compliance**

The Group will carry out an annual review of compliance against this code, and report this to the Board. A compliance statement will be included in the Annual Report.

Incommunities Group will ensure that its auditors review compliance and disclosures within their audit plan.

### **16.2 Breaches**

If you become aware of any deficiencies in service delivery, breach of this Code or other procedures, or other impropriety, you should report this to your Line Manager, or to another senior officer, Chair, or Company Secretary (Director of Legal and Governance). Procedures are in place to ensure that you can do this without any fear of recrimination or punishment (Whistle blowing Policy and Procedures) .

Where this is not appropriate, because for example the allegations relate to the conduct of these postholders, then notice may be given in accordance with the Confidential Reporting Policy.

#### ***Board Members***

On receipt of allegations relating to a material breach the following procedure shall apply:

- the Chair shall notify the Group Board and request the Company Secretary to instigate an investigation (where these officers are involved the Vice Chair and Group Chief Executive shall take their place in relation to this procedure)
- the investigation shall be carried out by a person independent of the parties concerned, where necessary this may be an external investigator
- the investigation shall be thorough and objective and shall establish the relevant facts to determine the appropriate response
- If a significant breach of legal or regulatory requirements is alleged then the regulator shall be notified at an early stage
- The result of the investigation shall be reported to the Group Board .
- The Board shall determine the action to be taken to rectify the position and any action necessary to avoid any repetition

- Corrective action, including any action in relation to parties responsible for the breach shall be proportionate to the scale and nature of the breach
- Advice shall be obtained from appropriately qualified advisors if removal from office or termination of contract is proposed
- If the investigation concludes that a significant breach of a legal or regulatory requirement has occurred or is likely to have occurred the Regulator will be informed

## Glossary of Terms

TERM	MEANING
Board	any Board of directors; management committee; Board of trustees and all similar governing body under whatever designation of all organisations forming part of the Incommunities Group
Board Member	includes all members of governing bodies of organisations within the Incommunities Group whether they are known as Directors, Trustees, Board Members, management committee etc. It includes co-optees and any other nominee whether or not they enjoy voting rights.
Committee Member	includes all those members who serve on sub-committees and other ad hoc committees, whether or not they are paid
Employee	Includes all paid employees within the Incommunities Group, and any other person fulfilling the role of paid employee, e.g. agency employees or those seconded from another organisation
Residents	This includes tenants, residents, leaseholders and users of other services provided by the Incommunities Group
Involved Residents	Includes residents and other service users (as defined above) who are involved in delivering, or scrutinising the Group's business activities. This includes members of standing committees, the Community Trust Panel and other ad hoc panels convened to assist in selecting contractors; resolve complaints or determine allocation of resources.
Contractor	Those other than employees, Board Members or involved residents who are directly involved in delivering the Group's business activities, including contractors, sub-contractors, consultants and agents.
Closely Connected Persons	<ul style="list-style-type: none"> <li>• A partner (someone to whom the individual is married; a civil partner or someone with whom they live in the same capacity)</li> <li>• Parents, parent-in-law</li> </ul>

	<ul style="list-style-type: none"> <li>• Son, daughter, step-son, step-daughter, child of a partner</li> <li>• Brother, sister, brother or sister of a partner</li> <li>• Grandparent, grandchild</li> <li>• Uncle, aunt, nephew, niece</li> <li>• The partners of any of the above</li> <li>• Any dependents</li> <li>• Any person on whom the individual depends</li> <li>• Estranged, separated, divorced persons including those who might be regarded as similar to family members</li> <li>• Someone with whom the individual has a “close organisation”, i.e. someone with whom the individual has regular or irregular contact over a period of time who is more than an acquaintance</li> <li>• Someone a member of the public might reasonably think the individual would be prepared to favour or disadvantage when discussing a matter that affects them.</li> <li>• A friend; colleague; neighbour; business associate or someone known through general social contact</li> </ul>
Organisational connection	<p>Someone is regarded as having a connection with a company or organisation if they, or a closely connected person</p> <ul style="list-style-type: none"> <li>• Is employed by the organisation, directly or through sub-contracting or agency</li> <li>• Is a Director, owner, Board Member, Trustee, or has some other controlling or financial interest in the organisation</li> <li>• Holds shares in the organisation, or has some other financial stake or interest in its success; or</li> <li>• If there is some other connection or link that a reasonable person could take to create a conflict of interest.</li> </ul>
Relevant Personal Interest	<p>This includes:</p> <ul style="list-style-type: none"> <li>• Employment or self-employment</li> <li>• Ownership of or a significant shareholding in a company or partnership providing products or services to the sector</li> <li>• Company directorships, business partnerships</li> <li>• Significant ownership of land and/or property owned by the housing organisation</li> <li>• A tenancy or leasehold interest of a property</li> </ul>

	<p>owned by the organisation</p> <ul style="list-style-type: none"> <li>• Positions of public responsibility e.g. membership of a local authority which has interests in the business and/or operation of Incommunities Group</li> <li>• Membership of a campaigning, residents' or community organisation which has interests in the business and/or operation of Incommunities Group</li> <li>• Membership of another organisation or "not-for-profit" body with interests in the area of operation of Incommunities.</li> <li>• Membership of secret and similar organisations</li> </ul>
Conflicts of Interest	<p>There are two main examples where such a benefit could occur:</p> <p><b>A Duality of Interest.</b> This is where the circumstances could <i>potentially</i> bring about some personal or business gain.</p> <p><b>A Conflict of Interest.</b> This is where both the interest of a member of the Group and a personal/business interest do actually occur and are in conflict.</p>

### The Seven Principle of Public Life (Nolan Principles)

All employees, Board and Committee Members and involved residents are expected to uphold the seven principles of public life identified by the Nolan Committee, these are:

- **Selflessness:** We should take decisions solely on the basis of the values and objectives of the Group. We should not do so in order to gain financial or other material benefits for ourselves, our family or our friends.
- **Integrity:** We must not place ourselves under any financial or other obligation to outside individuals or organisations that might influence us in the performance of our duties.
- **Objectivity:** We should ensure that in the delivery of services, the appointment of employees or the awarding of contracts, we maintain impartiality and that choices are made based on merit alone.
- **Accountability:** We must accept accountability for our decisions and actions to our residents, other customers, the providers of public funds and other stakeholders, and submit ourselves to whatever scrutiny is appropriate.
- **Openness:** We must be as open as possible about all decisions and actions that we take. We should give reasons for our decisions and restrict information only when individual or commercial confidentiality clearly so demand.
- **Honesty:** We must declare any private interests relating to our duties and take steps to resolve any conflicts arising in a way that is lawful, and protects the Group's reputation, vision and values.
- **Leadership:** We must promote and support these principles by leadership and example.