



## Board Code of Conduct

<b>Lead Manager:</b>	Managing Director
<b>Responsible Senior Manager:</b>	Managing Director
<b>Approved By:</b>	ST&RH Board
<b>Date Approved:</b>	18.02.16
<b>Date for Review:</b>	18.02.19
<b>Replaces Previous Version:</b>	20.03.13
<b>Version Number:</b>	2
<b>Linked Policies:</b>	STAR Housings' Constitution, Data Protection Policy, Freedom of Information Policy, Gifts & Hospitality Policy, Anti-Bribery Policy, Anti-Fraud Policy, Whistleblowing Policy

## CONTENTS

INTRODUCTION.....	3
THE CODE OF CONDUCT .....	4
Conduct of Board Members .....	4
Conduct at meetings.....	6
Confidentiality .....	6
Board Members dealing with customers .....	6
Board Member contact with staff and contractors .....	7
Disclosure of interests.....	7
Disclosure of interests - practice at meetings .....	8
Gifts and hospitality.....	8
Payments, grants and loans .....	9
Bribery and fraud .....	9
Political activities.....	9
Equality and diversity .....	9
Media.....	9
IMPLEMENTATION AND REVIEW OF THE CODE .....	10
Implementation of the Code.....	10
Disqualification of Board Members .....	10
Disciplinary procedure for Board Members.....	10
Review of the Code.....	11
APPENDIX 1 Board Members Complaints Procedure.....	12
1 Complaints regarding the conduct of a Board Member at a meeting of the Board	
12	
2 Responding to complaints and allegations .....	12
3 Formal investigation procedure .....	14

## **INTRODUCTION**

Proper conduct by Board Members is vital to good governance. The Board and its individual Members have duties to the company, Shropshire Council (as shareholder), customers, staff, contractors and the wider community.

This Code provides clear information on what is expected of you and the support you can expect from the company. It is consistent with the seven principles of public life adopted by the Nolan Committee.

You will carry out your role work guided by the values of the STAR Housing and in compliance with this Code, company policy and the law, statutory guidelines and regulations.

# THE CODE OF CONDUCT

## Conduct of Board Members

STAR Housing must maintain a reputation for high standards of conduct. Board Members must sign a letter of commitment confirming that they will fulfil their obligations, as set out below:

### Your obligations:

- uphold and promote the vision and values of STAR Housing;
- do not do anything that cannot be justified to the Board, tenants, staff, the organisations that work on behalf of the company or the wider public. You remain accountable for your decisions and actions, which may be subject to scrutiny;
- you should not act or take decisions in order to gain financial or other material benefits for yourself, your family, or your friends. You must declare and resolve any interests and relationships;
- avoid situations that could cause suspicion of improper conduct and not put yourself under any obligation to people or organisations that might try inappropriately to influence you in your work ;
- declare any conflict of interest in accordance with the company's **Constitution**. If there are frequent conflicts of interest you should consider resignation;
- comply with the Company's policies on **Gifts and Hospitality, Anti-Fraud** and **Anti-Bribery**.
- ensure that the facilities and resources of the company are used only as appropriate and in line with your duties as a Board Member and are not used for personal gain;
- promote equality and diversity, including by not discriminating unlawfully against any person;
- treat others with respect;
- support other Board Members, especially new appointees;
- do nothing to compromise the impartiality of those who work for, or on behalf of, the Company; and
- ensure that you and, by directing and supervising the Company's affairs, STAR Housing act honestly and in compliance with all legal and regulatory obligations,;
- uphold the Board Code of Conduct;
- fulfil your duties as a Board Member by working in accordance with your role description, attending meetings and undertaking training and appraisals as required. You must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias ;
- inform the Chair and the Directors as soon as possible if you believe that you or any other Board Member may not have complied with the Board Code of Conduct.

**You must not:**

- take any action which would undermine decisions made collectively by the STAR Housing's Board;
- disclose information which is either given to you in confidence, is confidential in nature or you believe to be confidential, without the consent of a person authorised to allow its disclosure (unless you are required by law to do so). This duty continues to apply after you have left the Board. ;
- misuse information gained in the course of your Board Membership for personal gain or for political purpose.
- prevent someone from gaining information that they are entitled to by law; or act in a manner which could reasonably be regarded as bringing your office as a Board Member or the company into disrepute.

## Conduct at meetings

Full guidance on conduct at meetings can be found in the **Board Meeting Guidance Notes**.

### In summary, the following apply:

- Board Members must make every effort to attend all meetings.
- Board Members should give the PA to the Managing Director at least three working days' notice of absence from a meeting to minimise the potential of an inquorate meeting.
- Board Members should prepare for meeting and decisions should be based on papers circulated to Members in advance of meetings.
- Points for decision should be clearly identified in those documents.
- Board reports should be presented as clearly as possible and provide sufficient information to enable informed decision making.
- Board Members must not deal with any matter that might impair, or appear to impair their ability to make objective and fair decisions.
- Decisions should be recorded in the minutes.
- Board Members should treat colleagues with respect at all times.

## Confidentiality

Openness and accountability are part of the ethos of STAR Housing. Providing full information to the public is important because the company receives public funding. Information should be withheld only if there is an issue that requires confidentiality – perhaps because it is sensitive in a personal or commercial way, or where its disclosure is restricted by legislation.

STAR has a **Data Protection Policy** and **Freedom of Information Policy** that set out further advice on handling information. You are expected to understand and comply with the requirements in these policies. Any breach of these policies will be treated as a breach of this Code.

Members may seek clarification of the confidential nature of STAR Housing's business at any time from the Chair of the Board, the Managing Director or the Director of Finance and Resources.

When you leave your role as Board Member, you must either return all the paperwork relating to STAR Housing's business (including Board papers and minutes) or agree the method of disposal with the Managing Director or Director of Finance and Resources.

## Board Members dealing with customers

You must never allow yourself to be compromised by any relationship with customers. Board Members must not lobby on a customer's behalf or show any preference to particular customers, groups of customers or neighbourhoods.

Any enquiries from customers that you receive should be signposted to the appropriate member of staff for action. Board Members must not handle customers' money.

## **Board Member contact with staff and contractors**

All Board Members, staff and contractors should observe high standards of courtesy in their dealings with each other.

You must uphold the Code of Conduct and STAR Housings' values when dealing with its staff and contractors. Board Members must consider the potential impact of any comments they make and remember that these reflect on the company because they are its ambassadors.

As a Board Member you should not become involved in operational matters that are the responsibility of paid staff. You should be sensitive to the workload and duties of staff members in your dealings with them and to the relationship between senior and more junior staff, being careful not to undermine the authority of managers.

If you are a Tenant Board Member dealing with an aspect of your tenancy then you should follow the normal procedures for customers. There will be occasions when you need to consider whether you are acting as a customer or a Board Member and whether the situation presents you with conflicts of interest.

If you have any questions about this you should discuss them with the Chair, the Managing Director or the Director of Finance and Resources as soon as possible.

## **Disclosure of interests**

Board Members must avoid situations where conflicts of interest with the company might arise. To demonstrate that Board Members do not benefit personally as a result of their positions, they are required to sign a **Declaration of Interests** on first joining and then on an annual basis. Declarations are available for public scrutiny.

**It is your responsibility to ensure that you are familiar with the Company's rules on handling conflicts of interests, that you comply with these rules and that your Declaration of Interests is accurate and up-to-date.**

As a general rule, a conflict of interest exists if a member of the public could reasonably conclude that your judgement may be biased. This can happen in two ways:

- because you or your friends or family stand to gain or lose from a Board decision (a personal interest); or
- if your interests could prejudice your judgement on an issue (a prejudicial interest).

Note that to avoid accusations of conflict of interests you should not use STAR Housing contractors or staff to carry out any service for you in a personal capacity unless it is unavoidable (e.g. in a monopoly situation). If this is unavoidable then written permission should be obtained from the Chair.

All types of interests must be disclosed and could include the following:

- interests in any property being purchased by the Company;
- interests in any company selling or acting as agent for any property being purchased by the Company;
- business or personal relationships with any person or firm earning fees from work placed by the Company; and
- business or personal relationships with any person or firm entering into a contract to carry out work for the Company.

Note that there are specific exemptions to the above for the special roles of Tenant and Staff Board Membership that are set out in the Constitution Articles 60 and 61.

Some interests are seen as incompatible with Board membership. This is where there is any financial interest personally or interest as a member of a firm or as a Director or senior employee or an interest in any contract or other transaction of the Organisation. Note that this would include a role as a Board Member or a Directorship of any other housing association that has, or seeks to have, a significant property portfolio within Shropshire.

If you have a role or responsibility which gives rise to a serious or a persistent conflict that requires you to abstain from Board meetings or decision-making, you must consider either resigning from the Board, or stepping down from the external role / responsibility.

If you are in doubt, you should declare an interest. Conflicts of interest can arise in many situations so if you are unsure about whether you should declare an interest please contact the Managing Director or the Director of Finance and Resources.

## **Disclosure of interests - practice at meetings**

Full guidance on practice at meetings is contained in the **Board Meeting Guidance Notes**.

All Board and Sub-Group agendas include the item 'Declarations of Interest'. This is the point at which you should make known any personal or prejudicial interests you have in the items on the agenda. If your declaration of interests is deemed prejudicial, you will be asked to leave the room during discussion of the issue and you will not be able to vote on it.

## **Gifts and hospitality**

Giving and accepting hospitality or gifts may undermine the integrity of STAR Housing. You should avoid doing so except in very limited circumstances.

Receiving gifts and hospitality must be within the terms of the **Gifts and Hospitality Policy**. A copy of this Policy will be made available to you and will form part of this Code. Any failure to follow the Policy will be considered to be a breach of this Code.

## **Payments, grants and loans**

You may not receive any payment, grant or loan from any funds associated with STAR Housing except reimbursement of expenses under current procedures and payments made to the Chair and Vice-Chair as agreed with the Council.

You may not receive loans from residents, and may not give loans from your personal money to staff, other Board Members or residents.

If you have any queries as to whether any payment, grant or loan is permissible then contact the Managing Director or the Director of Finance and Resources.

## **Bribery and fraud**

Board Members and staff are strictly prohibited from making, soliciting or receiving any bribes or unauthorised payments, as set out in STAR Housings **Anti-Bribery Policy**

Board Members and staff must adhere to the procedures set out in the **Anti-Fraud Policy**.

## **Political activities**

STAR Housing is politically neutral. You must not allow party political or other affiliations to influence your judgement in a way that is in conflict with the best interest of the company.

If conflicts of interest arise these must be disclosed as set out above.

On matters directly related to the work of the Company, you should not make political statements or engage in any other political activity, and in your role as a Board Member you should be even-handed in all dealings with political parties.

## **Equality and diversity**

STAR Housing is legally obliged as an employer and housing provider to operate on the basis of equal opportunities. STAR Housing has an **Equality and Diversity Strategy** covering all areas of its work. You should actively promote the principles outlined in the Strategy and ensure that all Board decisions adhere to its principles.

## **Media**

All media requests must be dealt with through our communications contractor. If you are asked by the media to comment on issues relating to STAR Housing you should refer them to either the Managing Director or the Director of Finance and Resources. Do not contact the media in your capacity as a Board Member without the prior consent of either of these 2 Directors.

# IMPLEMENTATION AND REVIEW OF THE CODE

## Implementation of the Code

It is your responsibility, both individually as Members and collectively as a Board to ensure you follow this Code and all the policies and procedures of STAR Housing. There are various ways in which you will be supported in order to achieve this objective.

They are:

- You and other Board Members will be provided with a copy of the Code.
- You will receive further guidance and training to understand your duties and responsibilities and how to discharge them. Members must endeavour to attend all training provided by STAR Housing to assist them in carrying out their duties.
- If you need further information or advice on this Code or any other issues, you should discuss this with the Chair or the Managing Director or the Director for Finance and Resources as soon as possible.
- The Chair of the Board, the Managing Director and the Director for Finance and Resources will monitor compliance with the Code and will take any appropriate steps to ensure compliance.

## Disqualification of Board Members

Any Board Member who would be disqualified under the Companies Act 2006 (or any replacement or subsequent legislation) is disqualified from Board membership. Other criteria for disqualification are set out in Article 40 of the Company's **Constitution**. A serious breach of the Code of Conduct may result in removal from STAR Housing's Board.

If any Tenant Board Member is in serious breach of their tenancy obligations they may be disqualified from Board Membership as set out in Article 40.10

Any complaints or allegations about the conduct of a Tenant Board Member or the Staff Board Member either in their board role, or other circumstances will be notified to the Chair of the Board who will decide whether the case should be investigated as a breach of the Code.

Breaches of this Code of Conduct may result in disqualification following investigation.

## Disciplinary procedure for Board Members

As a Board Member you have a responsibility to avoid any suggestion of impropriety or misconduct. Matters such as conflicts of interest, bribery and fraud, or the acceptance of gifts or hospitality, are particularly sensitive and are addressed specifically within this Code.

Complaints made about Board Member's conduct should be submitted to the Chair and copied to the Managing Director or Director of Finance and Resources. If the complaint

is regarding the Chair it should be sent to the Vice-Chair and copied to the 2 Directors. An initial investigation will establish if a Conduct Panel should be convened.

If a panel is convened, it will establish the facts and ensure that the Board Member has the opportunity to put his or her case. The panel will follow the **Board Member Complaints Procedure** (see *Appendix 1*).

## **Review of the Code**

This Code will be reviewed by the Board at least every 3 years.

## **APPENDIX 1 Board Members Complaints Procedure**

### **1 Complaints regarding the conduct of a Board Member at a meeting of the Board**

- 1.1 Where a breach of the Code takes place at a meeting of the Board, the Chair of the Board, may propose that the Member concerned be suspended for the remainder of the meeting. They will be required to leave the meeting immediately if such a proposal is supported by a simple majority of those present and voting. The Member concerned is to be excluded both from voting and for the purpose of calculating the relevant majority.
- 1.2 Where it is the Chair of the Board who is alleged to have breached the Code at a Board meeting, a Member at that meeting may propose that the Chair be suspended for the remainder of the meeting. The Chair will be required to leave the meeting immediately if such proposal is supported by a simple majority of those present and voting. The Chair is to be excluded both from voting and for the purposes of calculating the relevant majority. Remaining Members will appoint one of their number to act as Chair for the remainder of such meeting based on a simple majority vote (“the Acting Chair”).
- 1.3 The suspension of the Member (including the Chair) concerned for the remainder of the meeting will be without prejudice to any other sanction that may be imposed subsequently.
- 1.4 The Chair shall notify the Managing Director or the Director of Finance and Resources of STAR Housing of any breach of the Code that occurs or is alleged to have occurred at a meeting. Where such a referral is made it will be treated as a written complaint for the purposes of section 2 of the **Board Members Complaints Procedure** and shall be subject to the investigation and disciplinary procedure set out below.
- 1.5 The Acting Chair shall notify the Managing Director or the Director of Finance and Resources of STAR Housing of any breach of the Code, by the Chair, which occurs or is alleged to have occurred at a meeting. Where such a referral is made it will be treated as a written complaint for the purposes of section 2 of the **Board Members Complaints Procedure** and shall be subject to the investigation and disciplinary procedure set out below.

### **2 Responding to complaints and allegations**

- 2.1 All complaints and allegations by or about a Board Member shall be drawn to the attention of the Chair and notified to the Managing Director or the Director of Finance and Resources. This includes any suspicions of wrong-doing.
- 2.2 If the complaint or allegation involves the Chair and this matter should be raised with the Vice-Chair. In such circumstances the Vice Chair along with another

Board Member will be responsible for dealing with the complaint and references in the **Board Members Complaints Procedure** to the Chair are therefore to be construed as references to the Vice Chair.

2.3 Notes should be made of all actions in respect of concerns, complaints and allegations including keeping full notes of all investigations made, including interviews with witnesses and any conclusions reached.

## 2.4 Initial Assessment of Alleged Breaches of the Code

2.4.1 If the Chair receives a complaint about a Member alleging breach of the Code or other conduct detrimental to the interests of STAR Housing, the following procedures shall be followed:

- Acting in accordance with the STAR Housing's **Whistleblowing Policy**, the Chair shall immediately seek to establish the identity of the person who reported the complaint or allegation, along with the identity of the complainant or complainants (if different).
- The Member about whom the complaint or allegation has been made shall be informed that this has happened and of the steps that will be taken as set out below. The Chair will oversee the information disclosed to the Member at this stage to ensure that the requirements of STAR Housing's **Whistleblowing Policy** are complied with, which may include keeping the identity of the complainant(s) confidential and restricting other information that could identify the complainant.
- The Member concerned will not contact the media (either directly or indirectly) in relation to the complaint nor respond to any request by the media for comment as a Board Member. A Member may contact or respond to the media in their capacity as a Councillor or in a personal capacity but should make clear the basis on which they are responding. If the Member concerned is contacted by the media, he or she will notify the Chair as soon as reasonably practicable.
- The Chair and the Managing Director or Director of Finance and Resources of STAR Housing or a suitably experienced independent person shall carry out an initial assessment of the nature of the complaint or allegation. The purpose of this initial assessment shall be to determine whether the nature of the complaint or allegation is such as to require a formal investigation, or whether it can be dealt with on an informal basis.
- If the initial assessment determines the matter can be dealt with informally (without invoking the formal investigation procedure set out below), the Chair, in consultation with the Managing Director or the Director of Finance and Resources and/or suitably experienced independent person (as appropriate) shall deal with the complaint or assessment in a manner they agree as being appropriate in the circumstances, including whether any note is placed on the Member's file.
- If the initial assessment determines that a full investigation is needed into the complaint or allegation against the Member, the procedure set out in section 3 of the **Board Members Complaints Procedure** shall be followed.

## 2.5 Consideration of Suspension of Board Members

- 2.5.1 If, in the opinion of the Chair, the allegation or complaint about the Member is of a sufficiently serious nature, the Chair shall have the power to suspend the Member for the duration of the investigation. Such suspension will be effective from the date of the notice.
- 2.5.2 Situations likely to be considered to be of a sufficiently serious nature for the purposes of paragraph 2.5.1 include:
- where STAR Housing bring legal proceedings against a Member (this includes against a Member who is a Tenant);
  - where a Staff Board Member is subject to an informal or formal disciplinary investigation relating to their employment with STAR Housing;
  - where a Member brings legal proceedings against STAR Housing; and
  - where a Member becomes subject to any criminal or civil proceedings and the nature of which could compromise their position as a Member.
- 2.5.3 During the period of any suspension the Member must not:
- participate in any Board Meetings;
  - authorise or incur any expenditure on behalf of STAR Housing;
  - make use of any property belonging to STAR Housing (other than in his/her capacity as a tenant or occupier);
  - hold themselves out as a Member;
  - seek to commit STAR Housing to any obligation, or;
  - contact the media (either directly or indirectly) in relation to the suspension or respond to any request by the media for comment.

### **3 Formal investigation procedure**

- 3.1 The Chair, taking account of the circumstances of the complaint or allegation, shall appoint an Investigating Officer who may be a member of the Senior Management Team or a suitably experienced person.
- 3.2 The Investigating Officer will interview all relevant individuals and prepare a report outlining the evidence gathered through the investigation. Any Board Member involved in the investigation should co-operate fully with the process to enable the investigation to be completed as quickly as possible.
- 3.3 Any investigation carried out by the Investigating Officer will be confidential. Members (including the one against whom the allegation or complaint has been made) must not divulge any information regarding the investigation to any third party without the approval of the Chair.
- 3.4 The investigation report produced by the Investigating Officer should give detailed information about the facts identified and the people interviewed, particularly where there are different versions of events. The Investigating Officer should always interview the Member about whom the complaint or allegation has been made unless that Member is not willing to co-operate.

- 3.5 The Chair will appoint a Conduct Panel to review the investigation. The Conduct Panel should normally comprise three Board Members including the Vice Chair and 2 other Members. If one or more of these individuals cannot be part of the Conduct Panel either through unavailability or through a potential or actual conflict of interest then the Chair shall appoint other Members to the Conduct Panel. The Chair will not normally be part of the Conduct Panel in order to remain impartial.
- 3.6 The Conduct Panel may be assisted by an Independent Adviser to advise on proper process and protocol, assist in considering the issues and the range of potential and appropriate outcomes. The Independent Adviser could be a member of the Senior Management Team or a suitably experienced independent person.
- 3.7 The final version of the investigation report should be sent to the Conduct Panel and the relevant Board Member at least five working days in advance of any Panel hearing. Depending on the circumstances, the Member should normally have an opportunity to put their reply to the investigation report in writing to the Conduct Panel and submit it in advance of any Panel hearing. Alternatively, the Member will be given the opportunity to make his or her response verbally when the Panel hearing takes place.
- 3.8 The Conduct Panel will meet to review and “hear” the matter. The Investigating Officer will present the investigation report to the Panel and the Member that the complaint or allegation has been made against may also attend the meeting and present a statement in defence of any allegation or, if he or she prefers (or is unable to attend the meeting) he or she may submit a written submission in defence of the complaint or have a third party attend on their behalf.
- 3.9 The Member that is the subject of the allegation or complaint may bring to the Conduct Panel hearing someone to support them. However, that person should not be another Member or employee of STAR Housing unless the Chair permits this (in his or her sole discretion).
- 3.10 The fact of the investigation and any of the matters raised in the course of it shall be strictly confidential and the Member must ensure that his or her supporter respects the general confidentiality requirements and any specific restrictions imposed by the Conduct Panel.
- 3.11 At the hearing, the Conduct Panel may question both the Investigating Officer and the Member concerned and both individuals will co-operate fully to answer any questions put to them.
- 3.12 The Conduct Panel will seek to establish findings of fact related to the alleged incident or complaint, to determine whether, in its opinion, a breach of the Code (or other obligation or responsibility of the Member) has occurred and if so, what action should be taken against the Member.

- 3.13 Courses of action deemed appropriate by the Conduct Panel may include one or more of:
- No further action and any suspension be lifted if the allegation or complaint is not upheld;
  - In the case of minor breach, a note placed on the Member's file confirming the outcome of the investigation which may be taken into account in dealing with any subsequent complaint;
  - A written warning issued to the Member indicating that any further breach will lead to a more serious penalty;
  - The Member be instructed to issue a formal/public apology;
  - The Member be instructed to undergo specific additional training / mentoring / coaching / development / counselling;
  - Formal censure of the Member's behaviour.
- 3.14 The Conduct Panel's findings shall be communicated in writing as soon as reasonably possible and, if appropriate, verbally to the Member. The Conduct Panel's findings shall be final. The Conduct Panel's findings shall be reported to the Board at its next meeting.
- 3.15 If the Conduct Panel considers that a more serious sanction should be taken as a result of the investigation, the Conduct Panel's findings shall be reported to the Board at its next meeting, or at a specially convened Board meeting to hear the matter.
- 3.16 At that meeting, the Board shall consider the Conduct Panel's findings and recommendation and shall decide on a suitable sanction.
- 3.17 Sanctions deemed appropriate by the Board may include
- The Member being stripped of additional responsibilities (e.g. Chair, Vice Chair);
  - Removal or suspension from the Board
  - Recommended removal of the Member from the Board (see 3.18 below);
  - In the case of a Council Member, details of the matter be supplied to the Head of Paid Service and/or the Monitoring Officer of the Council as appropriate; or
  - In serious cases involving possible fraud or other illegal activity, the Board may recommend the matter be reported to the police or other relevant authority.
- 3.18 In the case of removal of a Member, the Board will consider the Conduct Panel's finding and recommendations and shall either decide:-
- to remove the Member from office as a Member based on a vote in favour by three quarters of all the other Members from time to time (in line with STAR Housing's constitution, Article 40), or
  - if a majority of three quarters has not been achieved, to refer the matter back to the Conduct Panel for them to re-consider the proposed sanction. Note that for the purposes of this policy that would be 8 Members of the Board.

- 3.19 The Member about whom the complaint or allegation was made will be given the opportunity to make representations in writing and/or in person to the Board at that meeting but the proceedings at the meeting are subject to the entire discretion of the Chair.
- 3.20 Following the Board Meeting, the Chair will notify the decision of the Board in writing to the Member concerned as soon as reasonably possible.
- 3.21 If the Board decides to remove the Member such removal will be deemed to take effect immediately from the date of the board resolution.