



Board Member's Code of Conduct

1 Introduction

- 1.1 As a charitable body and Registered Social Landlord using large amounts of public funds, Tower Hamlets Community Housing recognises the need to set and achieve high standards of conduct for its Board Members and staff. This document sets down the Code of Conduct for THCH's Board Members. It covers all categories of Board Member and any Committees that the Board may establish from time to time.
- 1.2 Tower Hamlets Community Housing subscribes to the NHF's Code of Governance but within its own Code of Conduct seeks to draw out the key elements of that Code and to supplement these taking into account THCH's values, ethos and objectives.
- 1.3 Tower Hamlets Community Housing subscribes to the "Nolan Seven Principles of Public Life"; which are:
 - **Selflessness** - Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or their friends.
 - **Integrity** - Holders of public office should not place themselves under any financial obligation to outside individuals or organisations that might influence them in the performance of their official duties.
 - **Objectivity** - In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
 - **Accountability** - Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
 - **Openness** - Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
 - **Honesty** - Holders of public office have a duty to declare any private interests relating to their public duties and take steps to resolve any conflicts arising in a way that protects the public interest.
 - **Leadership** - Holders of public office should promote and support these principles by leadership and example.
- 1.4 A statement of the responsibilities of THCH Board Members is provided to every Board Member and forms part of this Code.
- 1.5 THCH has a separate Code of Conduct for staff.

1.6 Some of THCH's Board Members are nominated or elected by constituencies. However, the primary duty of all Board Members is to act in the interests of THCH. This reflects their legal duties under company and charity law. Board Members are not delegates of any outside body and each Board Member owes a direct duty to THCH.

2 **Conflicts and Disclosures of Interest**

2.1 THCH will not grant a benefit or make a payment (other than where specifically provided for in the Tenant Services Authority's regulations - see 2.4 below) to:

- a) any Board Member except for reasonable expenses in connection with his or her Board duties;
- b) any staff member except under his or her contract of employment;
- c) close relatives of the above;
- d) anyone who has been in one of the above categories within the last 12 months;
- e) any business trading for profit which any of the above own or are involved in managing.

2.2 Under Schedule 1, Part I of the Housing Act 1996, Registered Social Landlords may pay Board Members up to a maximum specified by the Tenant Services Authority. THCH has resolved not to make such payments.

2.3 Certain exemptions apply: a Board Member or staff member who was a resident prior to joining THCH may be given the tenancy of further property. The Tenant Services Authority has laid down other exemptions (see Circular HC 37/96 for full details).

2.4 Under certain circumstances, and providing this is in accordance with all relevant THCH policies and procedures, THCH could:

- a) employ a relative of an employee;
- b) re-employ someone who had worked for THCH within the last 12 months;
- c) house an employee or their relative;
- d) house a Board Member's relative with special needs needing supported housing;
- e) house a Board Member or relative nominated by a local authority;
- f) make a payment under the Residents Incentive and Voluntary Purchase Grant Schemes to a Board member or employee;
- g) make payments due to residents or leaseholders under their agreements.

2.5 Any decision to use the above exemptions will require a resolution of the Board. All such resolutions will be recorded in the Register of Declarations of Interest (see 2.9), which will be available for public inspection. In the event of any doubt on the applicability of an exemption, the Secretary will seek the guidance of the Tenant Services Authority in writing and report the results of this to the Board.

2.6 Any Board Member who believes that he or she may be in breach of the law should report this immediately to the Secretary who will investigate the position and raise this with the Tenant Services Authority. THCH will distribute annually to

Board Members a declaration concerning conflicts of interest and all Board members are required to complete and return this.

- 2.7 A Board Member should declare an interest if an item of business being discussed at a Board meeting specifically concerns him or her or an organisation with which he or she is involved, whether profit making, public sector or voluntary sector (see section 2.1 above regarding profit making organisations). Failure by a Board Member to declare an interest will result in the matter being considered by a panel of three Board Members which could result in them recommending a resolution to the Board revoking the membership of the Board Member concerned.
- 2.8 THCH's Memorandum of Association prevents THCH paying Board Members anything other than out of pocket expenses.
- 2.9 In the event of the Board discussing a matter which specifically affects a Board Member or an organisation with which he or she is involved, or has direct financial implications for the Board Member or his or her organisation, the Board Member must declare an interest and withdraw from that part of the meeting.
- 2.10 THCH will maintain a Register of Declarations of Interest for public inspection that records disclosures of all relevant interests by Board Members, including:
- the annual declaration that each Board member must sign
 - any provision or receipt of reasonable hospitality
 - any use of THCH contractors or agents by Board members
 - all decisions to use the exemptions listed in paragraph 2.4 above.
- 2.11 All those covered by this Code will follow the above requirements and, furthermore, will ensure that they:
- a) never use their position with THCH for their own gain or that of family or associates;
 - b) disclose any direct or indirect interest which could influence their judgement or give the impression any Board Member is acting for personal motives;
 - c) would withdraw from the meeting if any matter arises where a conflict of interest occurs;
 - d) would resign as a member of the Board if any such breach occurs in relation to their own position;
 - e) never allow themselves to be mandated by any outside body or persons to support, resist or influence a decision of the Board or the exercise of delegated authority by any Board Member or staff;
 - f) would advise the Board if they consider another member to have such an interest;
 - g) never accept gifts or allow extravagance in any entertainment received or given in connection with THCH's business and always follow THCH's policies on recording hospitality;
 - h) should not seek any special advantage in the use of consultants, contractors, advisors etc. used by THCH; where such services are used, they would be declared to the Secretary before the transaction takes place.
- 2.12 The provisions of this code regarding conflicts of interest apply equally to Board Members who are THCH residents or Leaseholders, and in the event of the Board discussing a Board Members personal circumstances or individual dwelling, or the

circumstances of a neighbour or relative, the Member concerned must declare an interest and withdraw from that part of the meeting.

- 2.13 Further, and in accordance with its commitment to maintaining the highest standards of probity and to protect the reputation of Tower Hamlets Community Housing, the Board expects any Board Member who is a resident or leaseholder of THCH to comply with his or her tenancy terms and to ensure that his or her rent is paid when due. The Board will not accept as a new Member any tenant or leaseholder of THCH who has unpaid arrears.
- 2.14 In particular, the Board expects that any existing Board Member against whom a notice of intention to seek possession is served or if a Leaseholder where legal action is being taken under the terms of the Lease will resign. The Chief Executive will be asked to inform the Board if any Board Member, who is a resident, is served with notice. If a Board Member does not resign voluntarily, the Board may seek to invoke the provisions of Article 37(f) of the Articles of Association, which require a Board Member to resign if called upon to do so in writing by at least three quarters of other Board Members. Before invoking clause 37(f), the Board will provide the Board Member concerned with the opportunity to present his or her case to the Board, or a sub-group of the Board.

3 Management Practice

- 3.1 THCH has a Business Plan which sets down its objectives and targets. Further, it has policies and procedures covering its main areas of activity. These provide a framework in which fair decisions can be made in all areas. This approach to management practice in itself creates a framework for accountability which minimises the chance that THCH's Board could be legitimately criticised.
- 3.2 It is therefore the responsibility of Board members to ensure that the Business Plan is implemented through the staff and that policies and procedures are regularly reviewed and their operation reported upon.
- 3.3 THCH will aim for maximum openness in the operation of the Board. Items will be dealt with in open session wherever possible with confidential items clearly marked and dealt with in closed session. Information on the work and decisions of the Board will be disseminated to staff and publicised to residents and THCH's other partners. Within this, however, confidentiality of residents, staff and agencies with which THCH works will be respected.

4 Selection of Ordinary and Resident Board Members

- 4.1 THCH's Board needs to comprise members with the skills necessary to perform its duties efficiently and to acceptable standards. THCH also needs to ensure that a wide range of legitimate influences are brought to bear on its work and that no individual or group of individuals dominates its work.
- 4.2 THCH will establish and keep under review policies on recruiting Ordinary Board Members and will take active steps to implement these. The Board will receive reports on the implementation of the policies periodically. The current policy and procedures are detailed in Section B3.

- 4.3 It will also establish and keep under review policies on the election of Resident Board Members to ensure fairness and proper accountability.
- 4.4 The Board will keep its structure under review to ensure that it continues to carry out its role properly.

5 Attendance

- 5.1 In accordance with Article 37 of the Articles of Association, if any Board Member is absent without the Board's permission from every Board meeting in a six month period or 60% of meetings during a 12 month period, the Board will resolve to remove the Board Member from office.
- 5.2 THCH wishes to ensure that all Board Members contribute fully to the governance of THCH, and attend Board meetings regularly. Therefore, in addition to 5.1 above, and except in exceptional circumstances or where absence was with the consent of the Board, where a Board Member misses three consecutive Board Meetings, or is consistently absent, Board Members will seek to invoke the provisions of Article 37(f) which requires a Board Member to resign if called upon in writing by at least three quarters of the other Board Members.
- 5.3 Each Board Meeting will receive a report on Board and Committee attendance relating to meetings since the previous Annual General Meeting.
- 5.4 Board members who are to be absent from a meeting, except in exceptional or unforeseen circumstances are expected to send their comments and questions on papers to the Chair of the meeting concerned, 48 hours in advance.

6 Behaviour

- 6.1 In accordance with THCH's Equal Opportunities Policy, the behaviour of Board Members will respect the contribution and rights of others, whether Board Members, staff, residents or those with whom THCH works.
- 6.2 Board members will:
- a) not behave in a racist or sexist manner nor indulge in other unfair discrimination;
 - b) neither encourage nor condone such behaviour in others;
 - c) positively uphold and defend THCH's values.
- 6.3 Any Board Member breaching this aspect of the Code of Conduct will be expelled from the Board and (if they are members) from membership.

In becoming a Board Member, the member is deemed to have accepted the terms of this Code of Conduct.

7 Board Member Grievances

- 7.1 If any Board Member has an unresolved or an unsatisfactory answer to a complaint or dispute, the member shall make known his/her complaint in writing to the Chair of THCH with a copy to the Chief Executive.

- 7.2 The Chief Executive will investigate the issue within 15 working days and inform the Chair of THCH of his/her findings.
- 7.3 The Chair will discuss this with the complainant within 15 working days and if the complainant is not satisfied with the outcome, the matter will be referred to a panel comprising of at least four Board members, of which one will be a Resident Board Member, one Independent Board Member, one Council Board Member, plus one of the Committee Chairs to Chair the Panel.
- 7.4 The actual members of the panel will be determined by the Chair of the Board.
- 7.5 The Panel will be convened within 15 working days and will make its decision known within 15 working days of it sitting.
- 7.6 The decision of the panel is final and will be reported to the Board as a confidential item, at the next timetabled Board meeting.

8 Appraisal

- 8.1 All Board members will be appraised biennially under the THCH Board Member Appraisal scheme.
- 8.2 The biennial appraisal will result in an agreed action plan for each Board member. Should a board Member consistently fail to work towards the agreed action plan or who fail to take part in the appraisal process or contribute very little to the work of the board; the Chair should seek to invoke the provisions of Article 37(f) which requires a Board Member to resign if called upon in writing by at least three quarters of the other Board Members.