

# Probity Policy

Directorate: Governance, Risk & Assurance

Issue Date: January 2024

Review Date: January 2025

Version: 3

## 1. Introduction

- 1.1 At Salix Homes, we are committed to achieving the highest standards of integrity, probity and good governance. We promote openness and transparency in all our activities. This policy covers:
- All Group companies, including shareholders;
  - Board Members and other committee members;
  - Colleagues (permanent, temporary, casual, and fixed term contracts); and
  - Other stakeholders including family members, business associates and other personal connections of the people named above.
- 1.2 Where legislation detailed in this policy does not directly apply to some members of the of Group, subsidiaries are expected to follow the spirit of this policy and abide by the same rules and principles.
- 1.3 Our Probity Policy has five main objectives:
1. To ensure we comply with Section 122 (Payments to members etc.) of the Housing and Regeneration Act 2008.
  2. To ensure that we comply with the requirements of our Regulator – the Regulator of Social Housing (RSH).
  3. To demonstrate that we follow best practice and the requirements of our adopted Codes of Governance and Conduct.
  4. To make sure that we have adequate procedures in place to prevent bribery, in relation to the corporate offence of bribery and corruption. This policy is, therefore, part of a wider governance framework to implement procedures to prevent bribery from occurring.
  5. To make sure that we have the highest standard of corporate governance across the Salix Homes Group.
- 1.4 Salix Homes and its subsidiaries have adopted the NHF Codes of Governance 2020 and Conduct 2022 to ensure that we follow best practice guidelines in relation to our approach to openness, transparency and good governance.
- 1.5 Failure to follow our Probity Policy could have serious implications for Salix Homes and the wider sector, including:

- Exposure to legal action;
- Regulatory action;
- Reputational damage.

1.6 Failure to follow our Probity Policy could also have serious implications for individuals in that:

- Colleagues could be disciplined and lose their job;
- Board and Committee members could be personally liable to Salix Homes for any losses or liabilities it suffers as a result; or
- Board and Committee members could be removed, disciplined or face legal action.

1.7 Everyone should make sure that they understand and follow every applicable aspect of the Probity Policy. Should this policy contradict any other aspect of Salix Homes objectives, this policy should always take precedent.

1.8 Any queries in relation to any contradictions should be made to the Company Secretary for discussion. Should further clarification be required, our Internal Auditors or a similar source of external advice should be sought.

## 2. Definitions

2.1 The terms used in this Probity Policy have the following meanings:

Term	Description
<b>Act</b>	The Housing and Regeneration Act 2008
<b>Benefit</b>	This includes, but is not limited to: - <ul style="list-style-type: none"> <li>• non-contractual gifts or benefits,</li> <li>• the grant of a loan,</li> <li>• the award of a contract of employment,</li> <li>• sale of a home for value under right to buy or right to acquire,</li> <li>• the grant of a tenancy or license,</li> <li>• the grant of a lease (e.g., shared ownership), and</li> <li>• award of any type of commercial contract (e.g., contract for services).</li> </ul>
<b>Board</b>	The Board of Management and delegated committees of Salix Homes
<b>Board Member</b>	A member of the Board (including co-optees and independent committee members)
<b>Bonus</b>	A discretionary payment reflecting good performance under any contract
<b>Close Relative</b>	Any person so close to an Officer / employee there is a real risk that any decision or judgement of that Officer/ employee could be influenced, including (but not limited to) a person’s husband, wife, partner, parents, grandparents, children, grandchildren, brothers, sisters, and similar relations by marriage. Referred to as “ <b>Relevant Persons.</b> ”
<b>Company Secretary</b>	Appointed to advise the Board on all governance matters. A role held by the Executive Director of Resources.

Term	Description
<b>Governance team/ Manager</b>	The team/ individual appointed by the Executive Team to oversee the Probity Policy and monitor Officers' and employees' compliance with it from time to time
<b>Constitution</b>	The Rules and / or Memorandum & Articles of the Salix Homes Group companies
<b>Employee / Colleague</b>	A person employed by a member of the Salix Homes Group under a contract of employment, including a member of the Executive Team and any temporary / agency / fixed term / casual colleagues
<b>Executive Team</b>	The Executive management team of Salix Homes, including the Chief Executive Officer and Executive Directors
<b>Final</b>	For the purposes of this Policy, a judgment, conviction, or refusal becomes final where: - (a) the period for bringing an appeal or further appeal has ended, or (b) an appeal is determined, abandoned, or otherwise ceases to have effect
<b>Code of Conduct</b>	The adopted Code of Conduct (currently the National Housing Federation Code 2022)
<b>Code of Governance</b>	The adopted Code of Governance (currently the National Housing Federation Code 2020)
<b>Member</b>	Current and former members whose names are entered in the Salix Groups' register of members. Current members are also shareholders of Salix Homes.
<b>Officer</b>	A Board Member of Salix Homes or a member of any committee of Salix Homes
<b>Personal Connection</b>	Any person, other than a 'close relative' as defined in this policy, who may have a close personal connection to an Officer/ employee where there is a real risk that any decision or judgement of that Officer/ employee could be influenced e.g., a friend. Referred to as " <b>Relevant Persons</b> "
<b>Regulatory Framework</b>	The documents making up the regulatory framework for social housing in England from April 2015 and any subsequent updates as published by the Regulator of Social Housing (RSH).

### 3. Payments & Benefits

#### 3.1 Payments to Members

- 3.1.1 This section applies to members, those who have been members at any time, their close relatives, and companies of which any of these individuals are directors.
- 3.1.2 Section 122 (Payments to members etc.) of the Act restricts Salix Homes from making any gift or paying any dividend or bonus to any of the individuals listed above unless payments are in accordance with our Rules.
- 3.1.3 If a payment is made in breach of these requirements, Salix Homes has the right under the Act to recover the wrongful gift or payment as a debt from the recipient. The RSH may also require us to recover such a wrongful gift or payment

## 3.2 Payments to Officers

3.2.1 This section applies to any Officer of Salix Homes.

3.2.2 **Remuneration** - We only allow payments and benefits to Officers under individual contracts for services with Officers, or as permitted by this policy. These payments and benefits shall only be for services carried out as an Officer and not for additional services provided to Salix Homes (which are generally prohibited).

3.2.3 **Expenses** - We may reimburse Officers for reasonable expenses legitimately incurred whilst carrying out their duties in line with the approved Board Member Remuneration and Expenses Policy and Procedure.

3.2.4 We are under no obligation to pay or repay any expenses claimed by an Officer who is unable to produce appropriate receipts or other evidence that the expenses have been incurred.

3.2.5 Any disputes or disagreements about expenses will be determined by the Chair of the Board in his or her absolute discretion, unless the Officer in question is the Chair, in which case the Chair of the Audit & Risk Committee will determine the decision.

3.2.6 **Indemnity (Security against loss)** - Salix Homes may indemnify an Officer (or former Officer) against any expenses incurred by that Officer in connection with any civil or criminal proceedings in relation to Salix Homes, or any application for relief from liability for negligence, default, breach of duty or breach of trust in relation to Salix Homes.

3.2.7 Salix Homes may not indemnify an Officer (or former Officer) where:

- the Officer is convicted in criminal proceedings and the conviction is final;
- the court refuses (and that refusal is final); or
- that indemnity is in respect of any liability of the Officer to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority as a penalty for non-compliance with regulatory requirements

## 3.3 Payments to Employees

3.3.1 **Remuneration** - We may make payments of remuneration to employees where such payments are due under a contract of employment or are otherwise made in accordance with this policy. We will make remuneration decisions transparently and fairly, in accordance with our Rules, and relevant policies.

3.3.2 **Benefits** - We may only grant benefits of any description to an employee or employees where such benefits are permitted under their contract(s) of employment; are in

accordance with this policy or are approved by the Board of Salix Homes (or relevant delegated committee).

- 3.3.3 **Bonuses** - We may make bonus awards to an employee in accordance with the relevant employee's contract of employment or any policy on bonus awards approved by the Board (or relevant delegated Committee).

Where a bonus award is proposed, which is not in accordance with the employee's contract of employment or an established bonus policy of Salix Homes, it must be approved by the Executive Team for colleagues or by the Board (or relevant delegated committee) if it relates to a member of the Executive Team. In deciding whether to approve such a bonus award, the Executive Team / Board (or relevant delegated committee) must consider doing so only on evidence of exceptional performance or in exceptional circumstances and in line with the spirit of this policy.

Any bonus awards will be made in accordance with comparable levels in the sector and having regard to our obligations as a Registered Provider of social housing.

- 3.3.4 **Severance and Redundancy** - For the purpose of this policy, severance payments shall include out of court settlements in relation to cases referred to the Employment Tribunal.

Salix Homes may make reasonable and fair severance and redundancy payments to colleagues in accordance with any published redundancy and severance policies.

Decisions as to severance and redundancy payments to colleagues shall be made by the Executive Team in accordance with our published redundancy and severance policies, except for those proposed to be made to Executive Team members, which shall be made by the Board.

In deciding as to what is a reasonable and fair level of payment, the following considerations may be taken into account:

- the total level of payment due to the employee contractually, including pension and notice requirements
- advice from an independent legal advisor and any other suitably qualified persons,
- any relevant statutory formula;
- any published policies of Salix Homes;
- any relevant guidance on best practice;
- information on comparable payments made in the sector (if available);
- the employee's conduct and reasons for departure; and
- potential risks to Salix Homes (either by making or not making a payment), including, in relation to out-of-court settlement payments for employment disputes, the claim's prospects of success, the potential legal costs of defending a matter and the effect on Salix Homes if a settlement is not made.

The terms of any severance payment will be included within a properly drawn up compromise agreement or similar document.

We will exercise care to avoid any suggestion of secrecy or impropriety in cases where management failings and/ or poor performance or conduct of individual employees have resulted in the departure of the employee concerned.

Subject to the above, any non-contractual payment proposed to be made by Salix Homes to an employee must be approved by the Chief Executive Officer for employees who are not members of the Executive Team and by the Board or a properly authorised committee for the Executive Team.

- 3.3.5 **Benefit Schemes** - We may put in place or arrange to participate in benefit or discount schemes for our colleagues, customers, and / or Officers with external organisations, such as membership of recognised discount schemes for external retail and leisure organisations.

Where such benefit and discount schemes are in place, we will publish information about the benefit schemes on our intranet and website. Any discount schemes must be pre-approved by the Executive team before implementation, including any eligibility criteria governing an individual's ability to participate in such schemes.

In the event of Salix Homes contemplating the award of a contract to an external organisation for the provision of a new benefit scheme, any colleague involved in the awarding of the contract itself should not accept any benefits during the procurement exercise and should declare any benefits offered at the earliest opportunity and ideally prior to the procurement exercise.

In accordance with our contracts and procurement regulations, no preferential treatment shall be given to any external organisation offering such a benefits scheme to our colleagues, customers, or Officers.

- 3.3.6 **Ex-Gratia (non-contractual) Payments** - No ex-gratia payments (other than those identified elsewhere within this policy) may be made to colleagues or Officers without the prior approval of the Board or the Audit & Risk Committee.

In exceptional circumstances and as a reward for excellent or long-standing service, ex-gratia payments may be made to colleagues or Officers, provided that any such payments do not exceed the amounts set by the Executive Team. Any ex-gratia payments to be made of this nature will be approved by the Executive Team.

- 3.3.7 **Gifts Made to Employees by Salix Homes** - We may make a discretionary allowance of up to £50 per occasion for the purchase of gifts for employees, subject to the approval of

the Executive Team or the Chair of the Board (in the case of members of the Executive Team), in the following circumstances:

- leaving Salix Homes after more than 1 year's continuous service;
- maternity leave after more than 1 year's continuous service;
- retirement;
- bereavement; or
- any other circumstances approved by the Board / Executive Team (as applicable).

Any allowances for the purchase of gifts paid are subject to an annual limit of £300 per colleague.

Any allowance paid for the purchase of gifts which exceeds the limits set out above must be approved by the Board.

### 3.3.8 **Gifts Made to Members by Salix Homes** - S122 of the Housing and Regeneration Act 2008 prohibits the making of gifts and payments of dividends and bonuses to:

- Members (shareholders) (or their families);
- former Members (or their families); or
- a company which has a person falling within the above as a director.

There are exceptional circumstances to this restriction, as set out in section 3.1 of this policy.

Where the provisions are contravened, Salix Homes may recover the wrongful gift or payment, or the RSH may direct Salix Homes to recover it.

It is noted that the RSH has previously indicated it will not take such action where the gift is minor and uncontroversial - such as the provision of a leaving present for a Board Member, for example. Salix Homes considers 'small payments and benefits' to fall within this criterion as a token in recognition for their support and services to the organisation. This may include flowers or a similar gift up to the value of £50.00 in the event of a Board member retiring from the Board.

### 3.3.9 **Social events for Officers and Colleagues** - We may provide funding for social events at which colleagues or Officers will be attending, such as retirement parties and colleague functions. Any such funding will be made in line with the annual budgetary constraints set out for such activities and will be in line with HM Revenue and Customs: Expenses and benefits for directors and employees - a tax guide: 480.

### 3.4 Gifts and Hospitality

- 3.4.1 The principles relating to the acceptance and provision of gifts and hospitality to colleagues and Officers within this policy are underpinned by the Seven Standards of Public Life as established by the Nolan Committee. In all instances, this policy requires colleagues, Officers, and the Executive Team to consider whether the gift or hospitality (whether being offered or received) is truly about the business and furthering our business.
- 3.4.2 **Gifts and Hospitality Received from Third Parties** - Officers and colleagues may be offered hospitality and gifts from external organisations or individuals. These may include gifts (e.g. pens, stationery etc.) or hospitality such as invitations to lunches and social events etc.
- 3.4.3 As a general guideline, Officers and colleagues should generally not accept or offer hospitality and gifts from or to persons or organisations that may be in an actual or perceived position to benefit from actions or decisions taken by Salix Homes.
- 3.4.4 We do, however, recognise that there are circumstances where the acceptance of hospitality or gifts is in accordance with established business practice, or where the acceptance of gifts is difficult to avoid without causing offence.
- 3.4.5 In terms of gifts, therefore, Officers and colleagues may accept gifts detailed as follows:

#### Guidelines on the Acceptance of Gifts and Hospitality

Estimated value of the gift	Recording of the gift	Disposal of the gift
Nominal value such as pens; diaries etc.	No recording necessary	OK for personal use or to distribute amongst colleagues
Up to the value of £50.00 (if this does not exceed £100 from any one organisation or person over a 12-month period)	No recording necessary – <b>except for alcohol.</b> Colleagues should record using the standard Gifts and Hospitality form (Appendix A of this policy).	OK for personal use, however, sharing amongst colleagues is recommended where applicable. All gifts of alcohol accepted must be notified to the Governance Team to arrange disposal through the annual Salix Homes charity raffle



Estimated value of the gift	Recording of the gift	Disposal of the gift
<b>An estimated value of £50.00 to £100.00</b>	Record and notify the Governance team before acceptance, including gifts <i>declined</i> over the value of £50.00.  Record using the standard Gifts and Hospitality form (Appendix A of this policy).	Must not be retained for personal use. Any such gifts should be shared amongst colleagues or passed to the Governance team for entry into the Salix Homes raffle or charity donation
<b>Gifts over the estimated value of £100</b>	Notify the Governance team of the offer who will seek clarification in writing/ email from the Company Secretary whether the gift should be accepted or not.  Record the acceptance or refusal using Appendix A of this policy.	Must not be retained for personal use, any such gifts should be shared amongst colleagues or passed to the Governance team for entry into the annual Salix Homes raffle or charity donation
<b>Cash/vouchers/ discount cards – any value</b>	Notify the Governance team of the offer and refusal of the money  Record the refusal through Appendix A of this policy.	N/A – cash or vouchers of any value should not be accepted

3.4.6 **Estimating the Value of a Gift** - If the value of a gift is not obvious, colleagues should seek advice from their Line Manager, the Governance team, or use the internet to estimate the value appropriately. The Governance Manager may dispute the estimated value of the gift being declared and take appropriate action through the colleagues' line manager or the Company Secretary, the Chair of Board for Executives, the Chair of Board, or the Chair of Audit & Risk Committee (for Officers).

3.4.7 **Hospitality** - Hospitality should only be accepted by Officers and colleagues where:

- it is connected to the conduct of business or regarded as sustenance e.g. a working lunch;
- the event is in direct furtherance of Salix Homes business or linked to the sector e.g. a networking event put on by a partner contractor / consultant;
- guests include parties other than Officers and colleagues; or

- permission has been sought prior to the event from the Chair of the Board for Officers, or line manager for all colleagues.
- 3.4.8 Officers and colleagues **should not** accept hospitality that is considered as particularly lavish or disproportionate to the occasion. Such events include attending sporting events, e.g. golf days, or where hospitality has an estimated value of more than £100. A general rule is that, if Salix Homes could not return the offer this is likely to be disproportionate.
- 3.4.9 Salix Homes may sponsor relevant charitable events, including sporting events, where it would be acceptable for colleagues and Officers to attend.
- 3.4.10 It is recognised that in some instances, the extension of an invite to include a partner may be linked to the furtherance of the business. However, for colleagues who are not part of the Executive Team and in those instances where a partner has also been invited, approval must be sought in writing from the line manager before accepting and declaring the offer of hospitality.
- 3.4.11 **Recording of Gifts and Hospitality** - Officers or colleagues **may not** accept gifts or hospitality from organisations or individuals with which we are in dispute or where that organisation is taking part in, or is about to enter, an active quotation or tendering process for a contract with Salix Homes. All declines of this nature should be notified to the Governance Manager.
- 3.4.12 Networking buffets and lunches, estimated under £50 and attended by multiple people (including other organisations), do not need to be recorded as receiving hospitality.
- 3.4.13 Where any gifts or hospitality are accepted, they should be declared in Salix Homes Register of Gifts and Hospitality, provided that these gifts and hospitality do not exceed an annual limit of £100 from one person or organisation to one Officer or colleague.
- 3.4.14 All gifts declined over the value of £50 should also be recorded on the register.
- 3.4.15 See Appendix A of this policy for the standard Gifts and Hospitality form to be completed by colleagues and Officers in advance of receiving/offering any gift or hospitality (where feasible), as required above.
- 3.4.16 **Gifts and Hospitality Provided to Third Parties** - Other than in exceptional circumstances, we will not provide gifts or hospitality to external organisations, other than hospitality with a value of up to £100 per person per event, such as catering for a lunch meeting, or commemorative gifts for a function, with a value not exceeding £50 per gift. Any gifts or hospitality should not exceed an annual value of £100 to any individual third party.

- 3.4.17 Any gifts or hospitality to be provided to external organisations with a cost to Salix Homes of up to £100 per person shall be approved by a member of the Executive Team in advance. Executives may use their own discretion when offering hospitality without prior approval up to the value of £100 per person.
- 3.4.18 Buffet lunches offered or received as part of a working lunch to third parties, do not need to be recorded in the Register of Gifts and Hospitality.
- 3.4.19 Any deviations from this must be approved in advance by Audit & Risk Committee.
- 3.4.20 **The Gifts and Hospitality Register** - The Governance Team will, on behalf of Salix Homes, maintain a Register of Gifts and Hospitality accepted and declined by colleagues and Officers.
- 3.4.21 This register will be reported to the Audit & Risk Committee annually and signed by the Chair of the Audit & Risk Committee. The register will be made available to our Internal and External Auditors as part of the planned programme of audits. Any issues that may arise from the register at any time during the year will be raised by the Governance Manager to the Company Secretary for appropriate action, or the Chair of Board or Audit & Risk if this is more appropriate.

### 3.5 The Rehousing of Officers, Colleagues and Relevant Persons

- 3.5.1 We will only house people in accordance with our published relevant allocation policies.
- 3.5.2 Relevant persons will receive equal treatment to all other applicants in the allocation of housing (including transfer and re-housing applications), and the consideration of an application made by a relevant person must be open, fair, and transparent.
- 3.5.3 All applications for housing within the Salford area, are assessed and completed by Salford City Council's housing advice service known as SHOP (Salford Housing Options Point). All applicants are assessed based on their current housing need and registered onto Salford City Council's Choice based lettings scheme also known as Locata. They will be placed into the relevant rehousing band.
- 3.5.4 Any decision to allocate homes, re-house, or transfer the accommodation of colleagues, which includes temporary / casual colleagues (other than members of the Executive Team and Board Members) and/or any Relevant Persons must be approved by the Company Secretary or another member of the Executive Team in their absence. The interest of that relevant person must be disclosed.
- 3.5.6 Any decision to allocate homes, re-house, or transfer the accommodation of Officers or members of the Executive Team and / or any Relevant Persons must be approved

in advance by the Board, and the interest of that relevant person must be disclosed. The Officer or member of the Executive concerned would not be involved in any discussions or decision making regarding the approval.

- 3.5.7 A Re-housing Approval Form to offer re-housing to a colleague or their close relative should be completed and correctly approved by the relevant colleagues as soon as possible (see Appendix B).
- 3.5.8 No offer of re-housing should be made to a colleague, a close relative or relevant person of a colleague without the relevant Executive Director approving the offer in advance. In the absence of the appropriate Executive Director, any member of the Executive Team may give approval to make an offer of re-housing.
- 3.5.9 All completed and approved forms and copies of emails will be kept on the Public Register for inspection by the Regulator, Internal / External Audit, or other relevant organisations/ persons. A report will be made annually to the Board detailing any approvals made to re-house a relevant person.
- 3.5.10 Any colleague or Officer with an interest in, or who has a close personal relationship with, a Relevant Person whose application is being considered, is expected to declare that interest at the earliest opportunity and discontinue any involvement they might have in that person's application.
- 3.5.11 After rehousing, Salix Homes will ensure that matters such as repairs and maintenance, rent arrears, anti-social behaviour complaints and other housing management issues are dealt with openly and fairly avoiding any action that appears to favour the relevant person. In addition, if the relevant person is an employee or someone 'closely connected'/related to an employee, then the employee will not have any personal involvement in the day to day operational management of the tenancy

### 3.6 The Offering of a Shared Ownership Home to Officers, Colleagues and Relevant Persons

- 3.6.1 We will only approve the offer of a Shared Ownership home to people in accordance with our published policies. Relevant persons will receive equal treatment to all other applicants in the allocation of Shared Ownership (or similar) housing. The consideration of an application made by a relevant person must be open, fair, and transparent.
- 3.6.2 Any decision to approve the offer of a Shared Ownership (or similar) property to colleagues, which includes temporary / casual colleagues (other than members of the Executive Team and Board Members) and/or their close relatives must be approved by the Company Secretary or another member of the Executive Team. The interest of that relevant person must be disclosed.

- 3.6.3 Any decision to approve the offer of a Shared Ownership Home (or similar) to an Officer or member of the Executive Team and / or their close relatives or other personal connections must be approved **in advance** by the Board, and the interest of that relevant person must be disclosed. The Officer or member of the Executive concerned would not be involved in any discussions or decision making regarding the approval.
- 3.6.4 An Approval Form to offer a shared ownership (or similar) property to a colleague, Officer or relevant person should be completed and correctly approved by the relevant colleagues as soon as possible after any application form is received (see Appendix C).
- 3.6.5 **No offer** of a Shared Ownership home (or similar) should be made to a colleague, a close relative or relevant person of a colleague without the relevant Executive Director approving the offer in advance. In the absence of the appropriate Executive Director, any member of the Executive Team may give approval to approve the application.
- 3.6.6 All completed and approved forms and copies of emails will be kept on the Public Register for inspection by the Regulator, Internal / External Audit, or other relevant organisations/ persons. A report will be made annually to the Board detailing any approvals for Shared Ownership homes made to a relevant person.
- 3.6.7 Any colleague or Officer with an interest in, or who has a close personal relationship with, a Relevant Person whose application is being considered, is expected to declare that interest at the earliest opportunity and discontinue any involvement they might have in that person's application.
- 3.6.8 After rehousing, Salix Homes will ensure that any tenancy, property or estate management related matters are dealt with openly and fairly avoiding any action that appears to favour the relevant person. In addition, if the relevant person is an employee or someone 'closely connected'/related to an employee, then the employee will not have any personal involvement in the day-to-day operational management of the tenancy.

### 3.7 The Employment of Officers, their close relatives and Relevant Persons

- 3.7.1 We will carry out all recruitment in a way that is rigorous, transparent, and fair and in accordance with our Recruitment and Selection Policy.
- 3.7.2 We may offer employment to persons who are close relatives or closely connected to our colleagues (permanent or temporary) or Officers - only where it can be demonstrated they are the best candidate for the role. In all cases, the relationship must be disclosed by the applicant and the employee/ Officer as soon as possible.

- 3.7.3 We will take steps to ensure that where there are connections to any colleague or Officer, that this person will not be involved (either directly or indirectly) in the recruitment process for that post.
- 3.7.4 Where the potential employment of relatives / connected person is for a senior or executive post, or where the candidate is related to an Officer of Salix Homes, approval by the Remuneration & Governance Committee will be required in advance **before** an offer of employment is made.
- 3.7.5 An applicant should not be considered for a post which is directly accountable to an employee with whom they have declared an interest nor where the employee will become directly accountable to the applicant upon appointment.
- 3.7.6 In line with the above requirements, we may also offer a contract of employment to any former colleague.
- 3.7.7 We may also offer employment to customers of Salix Homes where it can be demonstrated that they are the best candidate for the role. In all cases, the relationship with Salix Homes must be declared by the applicant at the point of application.
- 3.7.8 An Employment Approval Form (see Appendix D) must be completed and appropriately approved **prior** to any offer of employment and filed on the Public Register. No offer of employment should be made in advance of approval.
- 3.7.9 A report will be provided to the Board detailing any approvals for employment of Relevant Persons on an annual basis.
- 3.7.10 In those instances where a customer is appointed as an employee, the activities of the role will be reviewed in relation to access to data, information and systems to ensure that data protection implications and legislation are adhered to.
- 3.7.11 Where, post-employment, a relationship develops between Officers or employees, the relationship must be declared to the Company Secretary who will consider whether a conflict of interest exists. Where a conflict is identified, steps will be taken to provide alternative positions to one or other party to ensure any potential for conflict is minimised.

### 3.8 Executive Members (including other employees)

- 3.8.1 It is recognised that there may be instances where an Executive or other employees may be appointed to the Board or other committee of Salix Homes during the course of their employment.

- 3.8.2 In these instances, and to ensure absolute clarity regarding their role as an Officer and as an employee, specific detail to identify those matters where they should not participate in any debate, decision making or be required to leave a meeting will be provided and agreed in advance. This detail will be determined according to the specific job role and the committee.
- 3.8.3 This will be monitored by the Chair of the Board/ relevant committee and the Company Secretary.
- 3.8.4 In line with section D7.9 of the Rules, any Board or committee member who is also an employee of the organisation cannot remain a member if their contract of employment is terminated or ends.

### 3.9 Employment of Board/ Committee Members

- 3.9.1 It is recognised that there may be instances where an Officer may apply for a paid role as an employee within Salix Homes.
- 3.9.2 Whilst this is not prohibited by our Rules, any application for employment will only be considered where it can be demonstrated they are the best candidate for the role. In all instances the candidate must disclose their relationship as soon as possible.
- 3.9.10 It is expected that, in the event that an Officer of Salix Homes applying for a paid role within the organisation, that they fully consider any potential conflicts and the appropriateness of their continued membership of the Board/ committee. This consideration should reflect the principles and spirit of this policy.

### 3.10 Use of Salix Homes Contractors, Consultants and Suppliers

- 3.10.1 Use of Salix Homes Contractors / Consultants and Suppliers for work / services conducted in a private capacity for colleagues, relevant persons (as defined in this policy) of colleagues, or Officers of Salix Homes is not allowed. This includes the use of individual Salix Homes colleagues or Officers (or any other Group Company colleagues or Officers) for work in a personal capacity.
- 3.10.2 Exceptions to this rule apply where it would be difficult to avoid a Salix Homes supplier, such as a national high street supplier (e.g. B&Q, TP), although this exception does not entitle any colleague or Officer to gain any benefit from their connection to Salix Homes, such as gaining access to any discounts negotiated by Salix Homes with such suppliers.
- 3.10.3 Colleagues with access to business trade cards, such as "P" Cards, Costco, or access to business accounts such as Amazon Prime etc. to purchase items for Salix Homes, **must not** use these to buy any personal items.

3.10.4 Colleagues and Officers should contact either the Governance Manager, a member of the Procurement Team, or the Company Secretary if they have any queries about this policy, or would like to check Salix Homes' suppliers, contractors or contractors.

### 3.11 Payments to Third Parties

3.11.1 Salix Homes may not make any payment to a company of which a director is a member, a former member, or a close relative of a member or former member unless:

- that payment is in respect of interest on capital lent to Salix Homes; or
- that company is a subsidiary or associate of Salix Homes.

3.11.2 For any other organisation of which a relevant person is a director or member, Salix Homes may only make payments or grant benefits (including contracts for the provision of services or goods) where it can be demonstrated the payment or benefit is in the best interests of Salix Homes, following consideration of all other potential contractors.

3.11.3 Any payment or benefit must be approved by the Executive Team.

3.11.4 A register must be kept of any payment made or benefit given, including information as to the relevant person and their interest in the company. An entry must also be made in the minutes of the Board meeting as to the relevant person and their interest in any company to which a payment is made or benefit given.

### 3.12 Other Payments

3.12.1 Any payment made or benefits granted to relevant persons which are not set out as approved within this policy must be approved in advance by the Board or delegated committee of the Board.

## 4. Anti Bribery

4.1 We have adopted the definition of bribery as being where "financial or some other advantage is offered, promised or given to another person with the intention of bringing about or rewarding the improper performance of a function or activity or where such advantage is requested, agreed or accepted for improper performance".

4.2 In line with the introduction of the Bribery Act 2010, we take our responsibilities in relation to bribery very seriously. Any form of bribery, regardless of the value, whether direct or indirect and by or for Salix Homes is not allowed. Actual bribery does not have to take place. An indication that bribery has been offered / accepted has consequences under the Act.



- 4.3 This applies to all colleagues and Officers of the Salix Homes Group and people associated with the Salix Homes Group who could be seen to be undertaking work on our behalf e.g. a repairs sub-contractor. A breach of the Act by colleagues or Officers of Salix Homes holds serious consequences.
- 4.4 The Act contains two potential offences for us as an organisation. These are:
- A general offence of offering or receiving bribes;
  - An offence for organisations failing to prevent the payment of bribery.
- 4.5 By turning bribery into a corporate offence, the risk for the reputation of Salix Homes to be brought into disrepute is heightened.
- 4.6 The risk to individual colleagues (especially members of the Executive Team) and Officers are also increased as the defence of “not knowing” of the bribe is not considered as a reason for not being prosecuted.
- 4.7 All colleagues and Officers will be made aware and reminded of the requirements of this policy and legislation on an annual basis as part of the Declaration of Interest process.
- 4.8 Should any colleague or Officer of Salix Homes suspect that bribery or corruption is taking place, or about to take place, they should report their suspicions to their Line Manager or the Governance Manager immediately. If they feel that this is inappropriate for any reason, they should voice their concerns to a senior manager of Salix Homes or refer to our Whistleblowing Policy.
- 4.9 A record of actual or attempted bribery will be maintained by the Governance Team and reported to Audit & Risk Committee on an annual basis – with any reports of bribery being reported immediately to the Chair of the Board and Chair of the Audit & Risk Committee.
- 4.10 Any allegations of bribery will be investigated and, if upheld, will be dealt with appropriately in line with our contracts of employment. We will terminate any contracts with third parties without incurring financial penalty where there have been upheld allegations of bribery or actual prosecutions under the Act.

## 5. Declaring Interests

- 5.1 This policy requires Officers, colleagues, and customers who are involved in decision-making, to declare any actual or potential interests relating to the elements contained within this policy at the earliest opportunity e.g., as an when the interest arises and at the beginning of all committee meetings.

- 5.2 Everyone must make a general declaration of interest at the point they become employees or Officers or at other times as requested to do so by the Governance Manager. This can be completed electronically using our HR system or by using the standard annual Declaration of Interest Form.
- 5.3 An interest can be described as where a colleague or Officer has a personal relationship (e.g., partner; spouse, a close family relative or other personal connection such as a friend) with someone employed by Salix Homes to carry out work or services on our behalf, such as a repairs contractor. An interest could also be described where a colleague or Officer is personally involved in a business or organisation employed to carry out work or services on our behalf e.g., being a Director of a consultancy service.
- 5.4 Any interests declared will be entered onto a Register of Interests (known as the Public Register) which is maintained by the Governance Team. Details of the Register of Interests will be reported annually to Board. Any information provided will be held and processed in accordance with Salix Homes Data Protection Policy. Subject to this, the Register will be available for inspection by the RSH and by people with a legitimate interest in Salix Homes and its business.
- 5.5 Everyone is responsible for making sure that their declarations of interest are kept up to date on the HR system. If a colleague, customer, or Officer is unable to access the relevant system, a paper version may be completed. On an annual basis, the Governance Team will prompt all colleagues and Officers to check and update their declared interests, which includes noting nil returns for all colleagues and Officers. Should an individual's interests change at any other time during the year, it is that person's responsibility to ensure that the interest is declared. New colleagues and Officers will be asked to complete a declaration of interest as part of their induction.
- 5.6 We view any breaches of this policy in relation to a situation where an individual should have informed Salix Homes of declaring an interest but did not, very seriously.
- 5.7 As well as making sure that all entries on the Register of Interests remain up to date, everyone is responsible for declaring any interests they have in any matter that they are involved in on Salix Homes behalf. For example:
- For a Housing Officer for whom one of their close relatives applies to be housed, they must immediately declare an interest and not participate in any decision relating to whether that person can be housed,
  - For a Board Member, where the Board is deciding whether to award a contract to a company where they or a family member of theirs is a director, or has a business relationship / interest they must immediately declare an interest and withdraw from any discussions and decision-making in relation to that contract,
  - For a Board Member, all members are required to declare any interest in any agenda items at the start of each meeting,

- For any colleague making a procurement decision when a family member or close friend stands to benefit personally, financially, or otherwise from the decision,
- For a manager employing or managing relatives or close friends.

5.8 These examples are not exhaustive, and we must remain vigilant to identify any situations where personal interests could conflict with those of Salix Homes. If in any doubt as to whether an interest exists, colleagues and Officers should err on the side of caution and make a declaration.

5.9 The Governance Manager will notify relevant colleagues of any declarations, such as those involved in relevant procurement activities, to make sure that interested people do not participate in activities such as Tender Groups involving interested third parties

## 6. Using Discretion

6.1 This policy requires us to use discretion as to:

- whether an interest needs to be declared;
- whether an interest that has been declared by someone else is relevant;
- (where a decision is delegated to Salix Homes to make) whether a payment or benefit or other matter covered by this policy should be permitted or not.

6.2 Whenever matters are left to discretion, we will consider our decision very carefully to make sure there is no breach of this policy or that we are not placed in a difficult situation. If a colleague / Officer needs help or support deciding about anything to do with this policy, they should speak with:

- Their line manager;
- The Governance Manager;
- Any member of the Executive team; or
- The Chair of the Board or the Company Secretary (if they are an Officer).

## 7. Delegations

7.1 Where the Board has delegated authority to a committee to make decisions about any matter contained within this policy, it must ensure that such delegation is clear, and the committee is of an appropriate size and formality in terms of meetings and record keeping.

## 8. Breaches of the Probity Policy

8.1 Any alleged breach of this policy will be investigated by Salix Homes or by an appointed organisation on Salix Homes behalf e.g., our Internal Auditors.

- 8.2 Any persons wanting to report suspected breaches of this policy should raise this with the Governance Manager or their Line Manager. If either of these people is not appropriate, the person should approach the Company Secretary or refer to our Whistleblowing Policy for further instruction and advice.
- 8.3 A breach of this policy by a colleague will be treated as a disciplinary matter under their contract of employment. Any investigation into any allegation of such a breach made against a colleague will be conducted in accordance with Salix Homes relevant policies for such investigations. Appropriate sanctions may be applied because of any investigation, including dismissal in the cases of gross misconduct.
- 8.4 A breach of this policy by an Officer will be treated as a breach of his or her duties and obligations to Salix Homes. An investigation into any allegation of such a breach made against an Officer will be conducted in accordance with Salix Homes relevant policies for such investigations and an appropriate sanction may be applied.

## 9. Monitoring

- 9.1 The Governance Team will retain oversight of the implementation of this policy, supported by Managers and the Senior Management Team in relation to review and completion of declaration of interests, employment and rehousing applications, gifts, and hospitality etc.
- 9.2 A summary of the Public Register will be provided to the Board on an annual basis.
- 9.3 The Public Register is available for review, on request. This is noted on the Associations' website.

## 10. Roles / Responsibility

- 10.1 The Board has ultimate responsibility for making sure that our policies and procedures maintain the high standards of probity and integrity expected by the sector.
- 10.2 Individual Board and committee members are responsible for following the requirements of the policy.
- 10.3 The Chief Executive Officer, Executive team and Senior Management Team are responsible for ensuring that all Officers and colleagues are aware of the purpose and requirements of this policy and that the policy is being followed at all times.
- 10.4 All colleagues are responsible for following the requirements of this policy.

## 11. Legal / Regulatory Links

11.1 This policy relates to the following:

- Housing and Regeneration Act 2008 (section 122)
- Bribery Act 2011
- Fraud Act 2006
- Criminal Finances Act 2017 incorporating Proceeds of Crime Act 2010
- Anti-Money Laundering, Terrorist financing and Transfer of Funds Regulations 2017
- Governance and Financial Viability Standard
- Code of Governance 2020
- Code of Conduct 2022

## 12. Equality, Diversity and Inclusion

12.1 Salix Homes is committed to promoting and embedding a culture of equality, diversity and inclusion (EDI) within our workplaces and the communities we serve.

- Equality is about ensuring that every individual has an opportunity to make the most of their lives and talents;
- Diversity is recognising difference and responding positively to those differences;
- Inclusion is about creating an environment where our services and employment opportunities are accessible to all.

12.2 We are committed to meeting our obligations and duties under the Equality Act 2010 and to promoting equal opportunities both in the provision of services and in our employment practices. We will consider all the protected characteristics of the Act which are:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Race
- Religion or belief
- Sex
- Sexual orientation
- Pregnancy and maternity

12.3 We also recognise that Socio-economic background is an area where inequalities exist and commit to addressing this disadvantage and inequality in our communities where able to do so.

12.4 We are also mindful of our duties under the Public Sector Equality Duty, which is to:

- Eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under the Equality Act 2010;
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

12.5 Where reasonable to do so, Salix Homes will make any reasonable adjustment to ensure compliance with the Act.

## 13. Related Documents

13.1 This Policy should be read in conjunction with/ and or links to the following documents:

- Anti-Fraud Policy
- Anti-Money Laundering Policy
- Tenancy Fraud Policy
- Whistleblowing Policy
- Lettings Policy
- Recruitment and Selection Policy
- Contract of employment
- Board/Committee Member Agreement for Services
- Board Remuneration and Expenses Policy
- Declaration of Interests Procedure
- Gifts and Hospitality Procedure
- Declaration of Interests Register
- Gifts and Hospitality Register

Standard Form for Recording Gifts and Hospitality

Print Name: ..... Title: .....

Complete the appropriate section(s)

All gifts and hospitality valued over £50 and all hospitality involving stakeholders/ partners needs to be approved in writing / email before acceptance (See section 3.4 of the Probity Policy)

Please complete either section A (to record gifts and / or hospitality offered to Salix Homes) or complete section B (to record gifts and / or offered by Salix Homes)

Section A
Gifts and Hospitality Offered to colleagues of Salix Homes

Name, position and organisation of the donor and the details of any relationship to Salix Homes:

.....

Details of the Gift or Hospitality offered to Salix Homes, including time and duration of hospitality. Please include the details of who benefited from the gift or hospitality, and if a partner attended the hospitality with you, give the reason as to why this was deemed appropriate in line with our Probity Policy.

.....

Date: .....

Cash equivalent value of the gift/ hospitality offered (indicate if an estimate):

.....

Please detail who approved the acceptance of the gift / hospitality e.g., line manager / relevant Executive / Chair prior to acceptance of the gift/ hospitality.

Approved by who and the date of approval:

.....

Reason for gift / hospitality being offered:

.....

If a gift, please detail the manner of disposal (if appropriate) e.g., shared with colleagues, put into a raffle:

.....

**Section B**  
**Gifts and Hospitality Offered by Salix Homes**

1. Name and address of person / organisation the Gift or Hospitality is offered to (please provide details of who benefited from the gift/ hospitality provided):

.....  
.....  
.....

2. Details of Gift or Hospitality offered, including time and duration of hospitality:

.....  
.....  
.....

Date: .....

3. Reason for gift/ hospitality being offered:

.....  
.....  
.....

4. Cash equivalent value of gift/ hospitality being offered:

.....

5. Was approval for gift/ hospitality offered received prior to the offer being made?

**Yes/No** (please delete as appropriate)

If yes, approved by who and the approval date.....

**Any Other Relevant Information**

.....  
.....  
.....

**Declaration:**

I hereby confirm that nothing in the transaction constitutes a bribe or special advantage:

Print Name: .....

Signed: .....

Date: .....

Approved by:

Print Name.....

Signed: .....

Title: .....



Date: .....

APPENDIX B

**Approval Form for the Re-housing of a Colleague/ Executive/ Committee Member or Relevant Person**

To be completed by the appropriate colleague and approved by the appropriate senior manager (see section 3.5 of the Probity Policy and refer to the full policy for full definitions)

**1. Name of person requesting re-housing:** .....

**2. Relationship to Salix Homes (please tick as appropriate):**

Colleague / Executive (Job title).....

Committee Member: (Details of Committee).....

Close Connection to / Relative of Colleague or Executive:  
(State full details of the connection) .....

Close Connection to / Relative of Committee Member:  
(State full details of the connection) .....

**3. Please state brief reason for re-housing**

.....  
.....  
.....

**4. Points allocated for re-housing (if applicable)**

**5. Please tick to confirm that the person requiring re-housing has not had any involvement in the processing of their application for re-housing**

**6. Please tick to confirm that the colleague/ member has not had any involvement in the processing of the application for re-housing**

**7. Please tick to confirm that the person requiring re-housing has been treated fairly and in accordance with our Lettings Policy and Procedure/ Leasehold Policies and has not been given any special advantage through their relationship with Salix Homes**

**7. Name of Officer completing form** .....

**Title of Officer completing form**.....

**Signature of Officer completing form**.....

**Date of confirmation**.....

(By signing this form, you are confirming that the requirements of Salix Homes operational procedures and Probity Policy have been adhered to.)

**8. Name and title of senior manager** .....

**Signature of senior manager**.....

**Date of confirmation**.....

(By signing this form, you are confirming that the requirements of Salix Homes operational procedures and Probity policies have been adhered to.)

**Please return completed forms immediately to the Governance Team**

**9. Approval for Re-housing a Colleague/ Relatives of or Person Closely Connected to a Colleague**

*To be completed by the Company Secretary/Chief Executive/Executive Director*

**Approved by:**

Name and Title.....

Signature.....

Date of approval.....

**10. Approval for Re-housing of Members/ Executives or the Re-housing of Relatives of or Person Closely Connected to these People**

**Approved by:**

Name and Title.....

Signature.....

Date of approval.....

**Approval Form for the offer of a Shared Ownership (or similar) home to a Colleague/ Executive/ Committee Member or Relevant Person connected to these people**

To be completed by the Property Sales and Marketing Manager and approved by the appropriate senior manager (see section 3.6 of the Probity Policy and refer to the full policy for full definitions)

1. **Name of applicant:** .....

2. **Relationship to Salix Homes (please tick as appropriate):**

Colleague / Executive (Name, Job title and connection) .....

Board/ Committee Member: (State full details of the connection) .....

Close Connection to / Relative of Colleague or Executive:  
(State full details of the connection) .....

Close Connection to / Relative of Committee Member:  
(State full details of the connection) .....

3. **Please state brief reason for applying for Shared Ownership**

.....  
.....  
.....

4. Please tick to confirm that the person applying for Shared Ownership has not had any involvement in the assessment of their application

5. Please tick to confirm that the colleague/ member has not had any involvement in the assessment of the application for re-housing

6. Please tick to confirm that the applicant has been treated fairly and in accordance with our Shared Ownership Policy and has not been given any special advantage through their relationship with Salix Homes

7. **Name of Officer completing form** .....

**Title of Officer completing form** .....

**Signature of Officer completing form**.....

**Date of confirmation**.....  
(By signing this form you are confirming that the requirements of Salix Homes operational and Probity Policy have been adhered to.)

**8. Name and Title of senior manager** .....

**Signature of senior manager**.....

**Date of confirmation**.....

(By signing this form you are confirming that the requirements of Salix Homes operational and Probity policies have been adhered to.)

**Approved by:**

Name and Title.....

Signature.....

Date of approval.....

**Approval Form for the Employment of:**

- a Relative of, or a Person Closely Connected to a Colleague/ Executive/ Committee Member
- a Board/ committee member
- a customer

*To be completed by the appropriate colleague and approved by the appropriate senior manager*

**1. Name of successful candidate for employment:**

.....

**2. Relationship to Salix Homes (please tick):**

Connected / related to Colleague/ Executive: (Details of colleague inc. their position and relationship)

.....

Connected / related to a Committee member: (Details of Committee Member and relationship)

.....

A Board/ committee member:

.....

A customer: (address/ TRN)

.....

**3. Please state brief detail of post to be offered (Inc. grade within organisation):**

.....

.....

*(Board approval must be obtained prior to offer for all Senior Management Team or Executive posts)*

4. Please tick to confirm that the relative of the successful candidate has not had any involvement in the recruitment and selection procedure for this post

5. Please tick to confirm that the successful candidate has been treated fairly and in accordance with our Recruitment and Selection Policy and Procedure and has not been given any special advantage through their relationship with Salix Homes

6. Name of Officer completing form .....

Title of Officer completing form .....

Signature of Officer completing form .....

Date of confirmation .....

(By signing this form you are confirming that the requirements of Salix Homes Recruitment and Selection Policy and Probity Policy have been adhered to.)

7. Name and Title of Senior Manager .....

Signature of Senior Manager .....

Date of confirmation .....

(By signing this form you are confirming that the requirements of Salix Homes Recruitment and Selection Policy and Probity Policy have been adhered to.)

Please return completed forms immediately to the Governance Team

8. Approval for Employment

To be completed by the Company Secretary/ Executive Director

Approved by:

Name and Title.....

Signature.....

Date of approval.....

**Please return approved forms immediately back to the Governance Team**

Document Name: Probity Policy  
Issue Number: V3  
Author: Nichola Shepard  
Owner: Director of Governance, Risk & Assurance  
Page: 31 of 31

Original Issue Date: August 2018  
Current Issue Date: January 2024  
Revision Date: January 2025  
Approval Status: Approved  
Approved By: SMT & Board (Mar 24)