



# Code of Conduct for Board Directors



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# East North East Homes Leeds

## Code Of Conduct for Board Directors

The Code is not a definitive statement of responsibilities, but is about the common understanding of broad principles by which all Directors operate.

It should be read in conjunction with the East North East Homes Leeds Memorandum and Articles of Association.

### Part 1 General Provisions

East North East Homes Leeds aims to build a reputation for high standards of conduct and probity.

- 1 This Code of Conduct aims at upholding high standards of probity and ethics, and will be available for public inspection.
- 2 Directors with authority delegated by the Board, will from time to time review:
  - The stated values of the organisation and how they are implemented in practice.
  - The implementation of this Code of Conduct and its underlying principles.
  - Associated policies and procedures of East North East Homes Leeds including those relating to hospitality, gifts, whistle-blowing (in accordance with the Public Interest Disclosure Act 1999) and other matters of business ethics.

#### Scope

- 3 As a Board Director you must observe this Code of Conduct whenever you:
  - are carrying out the business of East North East Homes Leeds.
  - are acting in your role of a Board Director.
  - represent East North East Homes Leeds.

#### General Duties of a Director

- 4 The general duties of Directors are set out in Part 10, Chapter 2, of the Companies Act 2006. The duties are owed by the Director to the company. They are -
  - The duty to act within powers (section 171) – a Director must act in accordance with the company’s constitution and only exercise powers for the purposes for which they are conferred
  - The duty to promote the success of the company (section 172) – a Director of the company must act in the way he/she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so must have regard to a number of matters including:

- The likely consequences of the decision in the long term;
  - The interests of employees;
  - The need to foster the company's business relationships;
  - The impact of the company's operations on the community and the environment;
  - The desirability of the company maintaining a reputation for high standards of business conduct, and;
  - The need to act fairly as between members of the company
- The duty to exercise independent judgement (section 173)
  - The duty to exercise reasonable care, skill and diligence (section 174)
  - The duty to avoid conflicts of interest (section 175) – a Director must avoid a situation in which he/she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company. The duty does not apply to conflicts arising in relation to a transaction or arrangement with the company
  - The duty not to accept benefits from third parties (section 176) – a Director of a company must not accept benefit from a third party conferred by reason of his/her being a Director or his/her doing (or not doing) anything as a Director. This duty is not infringed if the acceptance of the benefit cannot reasonably be regarded as likely to give rise to a conflict of interest
  - The duty to declare interest in proposed transaction or arrangement (section 177) – if a Director of a company is in any way directly or indirectly interested in a proposed transaction or arrangement with the company, he/she must declare the nature and extent of that interest to the other Directors

## General Obligations

5 You must:

- promote equality and diversity by not discriminating unlawfully against any person.
- treat others with respect.
- not do anything that will compromise the impartiality of those who work for, or on behalf of, East North East Homes Leeds.

6 You must not:

- disclose confidential information without the consent of a person authorised to give it, or unless you are required by law to do so.
- prevent another person from gaining access to information to which they are entitled by law. 'Confidential information' usually means personal information given to you by a tenant, or information in a report to the Board, which the Board decides should not be open to the public. If in doubt about whether or not an issue should be treated as confidential, you should ask the Chief Executive for clarification.

7 All Board Directors share responsibility for its decisions. As a Board Director, you will act only in the interests of East North East Homes Leeds and not for any constituency or interest group.

- 8 You must not, in either your official or any other capacity, behave in a way that could reasonably be viewed as bringing your office or East North East Homes Leeds into disrepute, for example by making critical comments about the conduct of East North East Homes Leeds business outside of internal meetings, or by providing misleading information about East North East Homes Leeds.
- 9 You must not, either in your official or any other capacity, use your position as a Board Director to promote a private or personal interest, or to seek to influence any service, or to gain preferential treatment.
- 10 Although you may have duties to people who have elected or appointed you, you must put East North East Homes Leeds' interests before their interests, and before your own interests.
- 11 You must, when using or authorising others to use East North East Homes Leeds' resources (ie staff, buildings or equipment):
  - Act in line with East North East Homes Leeds' requirements.
  - Make sure such resources are not used for political purposes unless it could reasonably be viewed as likely to help, or contribute to, fulfil the functions of East North East Homes Leeds or of the office you have been elected or appointed to. If you want to use East North East Homes Leeds resources for such purposes, discuss and agree the matter with the Chief Executive beforehand.
- 12 You must:
  - When reaching decisions, have regard to any relevant advice given to you by the Chief Executive, or any other East North East Homes Leeds staff and to any relevant legal and financial advice given to you.
  - Exercise your powers for the benefit of East North East Homes Leeds as a whole. You must accept collective responsibility for any decision made whether or not you agreed with it, or were at the meeting where the decision was made.

## Part 2 Role of the Board

The Board has ultimate responsibility for East North East Homes Leeds' Governance. The Board's central role is to direct and control its work, that is:

- ✓ to determine strategic direction and policies,
- ✓ to establish control and risk management frameworks and to ensure that the organisation achieves its aims and objectives.

The Board's purpose is to determine strategy, and to direct and control the Company's affairs. Management is delegated to the staff. This section of the Code seeks to define Board Directors' responsibilities and sets out guidelines for effective working.

- 13 To discharge their responsibilities for the direction of the organisation, Board Directors must have or acquire a diverse range of skills, competencies, experience and knowledge. They cover these broad areas:
- providing leadership and working as an effective team to take strategic decisions for social results.
  - direct knowledge of the needs and aspirations of the communities and people served.
  - general business, financial and management skills.
  - other relevant or specialist skills, such as legal, property, development, and public affairs.
- 14 Board Directors have obligations to:
- uphold East North East Homes Leeds values and objectives.
  - uphold its core policies, including those for equality and diversity.
  - contribute to and share responsibility for the Board's decisions.
  - prepare for and attend meetings, training sessions and other events.
  - represent the organisation on occasion.
  - declare any relevant interests.
  - respect confidentiality of information.
  - uphold the principles in the guidance on good governance.
- 15 Board Directors may claim payment to reimburse reasonable expenses incurred on Company business. This includes repaying travel and phone expenses. Directors must fill in the official Expenses Claim Form from the Board Support Manager and it must be authorised by a member of Senior Management Team.

### Relationships with staff and other Board Members

- 16 East North East Homes Leeds staff manage the Company, while the Board sets strategic direction, directs and controls it.

- 17 Board Directors will treat staff with courtesy and respect. This includes:
- not giving instructions to staff.
  - raising concerns about staff, policies or procedures with the relevant member of East North East Homes Leeds' Senior Management Team.
  - arranging to meet staff at mutually convenient times, not 'dropping in' at East North East Homes Leeds offices unannounced.
- 18 Board Directors will treat each other with courtesy and respect. This includes:
- not making comments that are derogatory or offensive around race, sex, age, disability or sexuality.
  - working through the Chair at meetings and waiting patiently to be heard.
  - being mindful of the time constraints of each meeting.
  - not having separate conversations which distract the main meeting.
  - not speaking for alternative organisations at meetings.

## Part 3 Board Commitment and Effectiveness

- 19 Board Directors, by acceptance of the role of Director, agree to uphold the following standards of conduct:
- To conduct themselves in a professional manner in all their dealings with, and on behalf of East North East Homes Leeds
  - Be aware of their legal duties and the Statutory Code for Directors
  - To identify possible conflicts of interest and disclose as appropriate
  - To demonstrate mutual respect for each other and ensure negative behaviours are addressed
  - Observe protocols for behaviour during meetings of the Board or Sub Committees
  - To deal positively with conflict on a timely and, wherever possible, informal basis to prevent or eliminate any potential impact on external perception of colleagues or the Organisation generally
  - To foster relationships between the Board of Directors and the Executive team of positive challenge, demonstration of respect, and adoption of collective responsibility for decisions made

## Part 4 Equality and Diversity

Equality and diversity is a core value for all Board Directors and a continuing focus on the implementation and policy monitoring will always be needed. East North East Homes Leeds Board will take lawful positive action where minority groups are under-represented within governance or staffing structures.

- 20 Board Directors must show, when carrying out all their functions, their commitment to equality and diversity.
- 21 The Board will be asked to adopt an equality and diversity statement and action plan. Board Directors will work to this and uphold its principles in all areas of East North East Homes Leeds work including:
  - identifying and assessing needs.
  - allocating housing and any other services.
  - providing services.
  - membership and operation of the Board and any Sub Groups / Committees.
  - staff recruitment, selection, training and conditions of service.
  - East North East Homes Leeds' buying of goods and services and contracting procedures.
- 22 East North East Homes Leeds will be open in publicising achievements and performance in these areas.

## Part 5 Gifts and Hospitality

### Gifts and Hospitality

- 23 The Board will establish a policy on receiving hospitality and gifts by Board Directors and staff to ensure that:
- personal gifts with a significant monetary value are not accepted.
  - hospitality is not accepted if it could be seen as a way of exerting an improper influence over the Company's decisions.
  - gifts and hospitality are formally recorded in a register, apart from inexpensive items, such as working meals or free calendars.
- 24 The Board will establish a policy on offering hospitality and gifts by the company, or by Board Directors and staff on its behalf, to make sure:
- no gifts of a significant monetary value are given or offered.
  - hospitality is not offered if it could be seen as lavish, or as a way of exerting an improper influence over the decisions of another person or organisation.
  - all hospitality offered is formally recorded in a register, apart from inexpensive items, such as working meals.

# Part 6 Interests

## Appointments and Interests

- 25 A Board member may not have any financial interest personally or as a member of a firm or as a Director or senior employee (with managerial status) unless the Articles of Association allow it and the Memorandum of Association does not prohibit it.

## Definition of 'an Interest'

- 26 You have an 'interest' in any matter if it requires notification detailed under paragraph 33 below, or if any decision would put you in a position where you would get preferential treatment or would directly or indirectly better your financial position or well-being, or that of a relative or a friend.

In this paragraph:

'relative' means a spouse, partner, parent, parent-in-law, son, daughter, step-son, step-daughter, child of a partner, brother, sister, grandparent, grandchild, uncle, aunt, nephew, niece, or the spouse or partner of any of the preceding people and 'partner' in the above sub-paragraph means a member of a couple who live together.

## Disclosure of Interests

- 27 If you have an interest in a matter, you must disclose the nature of the interest before the item is discussed. If in doubt, always disclose it.

## Participation in Relation to Disclosed Interests

- 28 Unless the interest is of the type specified in 29 or 30, you will not remain in a meeting during its discussion unless asked to do so by the remaining Board Directors or Sub Group. Unless permitted by 29 or 30, you may not vote on it.
- 29 Provided the interest has been properly disclosed you may remain present during the discussion and may vote on it where the interest arises because:
- you are a tenant (as long as the matter affects all or a substantial group of tenants).
  - you are a director or other officer of a company or body which is a parent, subsidiary or associate of the Company.
  - you are an official or elected member of any statutory body.
- 30 You will not be treated as having an interest:
- of which you have no knowledge, and of which it is unreasonable to expect you to have knowledge.
  - in establishing a policy regarding Board Director expenses.

- 31 'Meeting' means any meeting of:
- the Board.
  - any Sub Group / Committee of the Board.
- 32 Where any matter has been delegated to the Chair or any Vice or Deputy Chair or to any executive officer, if they have an interest in it and would not be permitted to vote on it at a meeting, they will not take a decision on that matter and will refer it back to the Board.

# Part 7 The Register Of Board Directors' Interests

## Registration of Financial and Other Interests

- 33 Within 28 days of your election, nomination or appointment to office (if that is later), you must register your financial and other interests by providing written notification of any of these to the Chief Executive:
- any employment or business carried on by you.
  - the name of the person or organisation who employs or has appointed you, the name of any firm in which you are a partner and the name of any company for which you are a paid director.
  - the name of any person, other than East North East Homes Leeds, that has made a payment to you in respect of election or any expenses incurred by you in carrying out your duties.
  - the name of any corporate body (a company that issues shares and securities) that has a place of business or land in East North East Homes Leeds area, and in which you have a beneficial interest in a class of securities of that body that exceeds the nominal value of £25,000 or one hundredth of the total issued share capital of that body.
  - the address or other description (sufficient to identify the location) of any land / property in which you have a beneficial interest and which is in the East North East Homes Leeds area.
  - the address or other description (sufficient to identify the location) of any land / property in the East North East Homes Leeds area in which you have a licence (alone or jointly with others) to occupy for 28 days or longer.
- 34 You must, within 28 days of becoming aware of any changes to the interests specified under paragraph 33 above, provide written notification to East North East Homes Leeds Chief Executive of that change. You will also at regular intervals be required to re-declare your financial and business interests requiring notification

## Registration of Gifts and Hospitality

- 35 You must, within 28 days of receiving any gift or hospitality, provide written notification to the Chief Executive of the existence and nature of that gift or hospitality. General exceptions to this are where:
- the gift is of a modest kind, such as a calendar, diary, or other piece of promotional material which bears the name or insignia of the firm concerned (such as a promotional pen).
  - meals and refreshments of a modest kind that are a necessary part of the business in hand and are immediately and directly connected with and wholly incidental to the business of East North East Homes Leeds (such as a buffet lunch provided at an all day meeting).
  - meals and refreshments of a modest kind that are connected with a public or semi-public occasion (such as an opening ceremony) that you are attending in an official capacity for East North East Homes Leeds.

## Part 8 Standards Panel

The Standards Panel is the internal body defined in the Articles of Association and charged with upholding this Code of Conduct.

- 36 If you believe another Board Director has failed to comply with this Code of Conduct, or with the associated policies and procedures of East North East Homes Leeds you must put details of the breach in writing to the Chief Executive as soon as possible. Likewise any member of staff, or tenant can complain in writing to the Chief Executive that a Board Director has failed to comply with this Code of Conduct, or with the associated policies and procedures of East North East Homes Leeds.
- 37 The Chair or (in the event that the Chair is the subject of the complaint), the Director of Environment and Neighbourhoods or nominee will carry out a preliminary investigation to identify if a complaint:
- is frivolous or unsupported by any reliable information or
  - falls outside the Panel's terms of reference or
  - has already been investigated.
- 38 After completing the preliminary investigation, the Chair / Director of Neighbourhoods and Housing or nominee will decide whether or not the complaint warrants a full investigation, and notify the complainant and the Board Director of the decision. Where the decision is not to take any further action, s / he will also give reasons for this.
- 39 Where the Chair / Director of Neighbourhoods and Housing decides a complaint warrants a full investigation, a nominee will be appointed to do this. The purpose of a full investigation is to establish the facts of the complaint, so that the Panel may then make a properly informed judgement about it.
- 40 The Chair / Director of Neighbourhoods and Housing or nominee will report the findings of the full investigation to a hearing of the Panel.
- 41 The Board Director will be given:
- a copy of the findings of the full investigation
  - the opportunity to make representations, or give evidence to the Panel
  - the opportunity to call relevant witnesses, to give evidence to the Panel
  - the opportunity to be represented at the hearing of the Panel by a lawyer, or any other person.
- 42 If the Panel decides the Board Director has failed to comply with this Code of Conduct, or with the associated policies and procedures of East North East Homes Leeds, the Panel will recommend to the Board whether or not to impose a sanction on the Board Director, and if so what the sanction should be.

43 The Board can impose these sanctions:

- Censuring the Board Director.
- Restricting his / her access to East North East Homes Leeds' resources, which could include limiting his / her access to the premises.
- Excluding the Board Director from meetings of the Board for a specified period of time.
- Removing the Board Director from being Chair, or from Sub Groups or Committees of the Board, or working groups.
- Removing the Board Director from office in accordance with East North East Homes Leeds' Articles of Association.

## Part 9 Declaration

### Director's copy

I have read and understand the provisions of this Code of Conduct for Board Directors, and I agree to abide by them.

Signed: .....

Print Name: .....

Date: .....

## Part 9 Declaration

### East North East Homes Leeds Office Copy



I have read and understand the provisions of this Code of Conduct for Board Directors, and I agree to abide by them.

Signed: .....

Print Name: .....

Date: .....

**Please detach and return to:**

Becca Levine  
East North East Homes Leeds  
Tribeca House  
71 Roundhay Road  
Leeds  
LS7 3BE



*A company wholly owned by Leeds City Council  
East North East Homes Leeds is registered in England and Wales No 06031596  
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