



Homes &
Communities
Agency

**Homes and Communities Agency
Declaration of Interests – Guidance for Staff**

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Homes and Communities Agency Declaration of Interests – Guidance for Staff

1.0 Summary

- 1.1 A 'conflict of interest' is considered to be any connection or association with a third party that is (or appears to be) against the best interests of the HCA, **or** which could enable you reasonably to be suspected of using your position within the HCA to gain an unfair advantage for or from a third party.
- 1.2 Conflicts of interest are best avoided altogether; however, the HCA acknowledges that conflicts of interest (and potential conflicts) are sometimes unavoidable. In such circumstances the principles of openness and integrity apply and you are required to disclose and manage the conflicts accordingly (see Section 9).
- 1.3 In connection with your role at the HCA you might become a Director of a subsidiary company or external organisation. You must register such positions as a declaration of interest because you have a duty to that organisation independent of your role as an employee of the HCA. If however you serve on a group or body purely as an HCA representative and not as a Director, this would not normally constitute an interest.
- 1.4 It is considered an unmanageable conflict of interest for any HCA member of staff to become a Board or management member of an RP. However, this does not prevent general management interaction as a tenant / tenant carer with an RP (see Example 6 in Section 8).
- 1.5 A 'personal' conflict of interest may involve individuals known to you or your family; or by affiliation or a 'pecuniary interest', such as benefiting from a programme or a project's awarded contract, investment or grant. If there is any doubt, it is better to declare a conflict of interests (or a potential conflict) than ignore it or conceal it.
- 1.6 The HCA acknowledges that the very nature of its business may impact upon an employee by introducing a potential conflict of interest in relation to their home. Section 8 contains guidance for employees in receipt of home purchase assistance arranged or funded by the HCA; or where accommodation is provided by an HCA assisted landlord or home provider.
- 1.7 You should complete a Declaration of Interests form (Annex 1) each time there is an actual conflict of interest or a likely chance of potential conflict. There may be circumstances where voluntarily declaring a personal situation may avoid the risk of future challenges or misunderstandings (see Section 8, examples 3 and 6).
- 1.8 Your Line Manager, Head of Function or Executive Director is also required to confirm how the conflict will be managed and sign and date the declaration. The original signed and countersigned declaration should then be sent to Board Secretary at 2 Marsham Street and a copy held by the Line Manager, Head of Function or Executive Director within a locally kept employee file. Failure to declare a personal interest may result in disciplinary action, which could include dismissal.
- 1.9 You are required to complete a new form annually (or sooner if the conflict situation needs to be updated due to changes of circumstances). If the

**Homes and Communities Agency
Declaration of Interests – Guidance for Staff**

conflict of interests ceases, you should notify the Board Secretary as soon as practicable.

Employees are encouraged to read the full guidance and to note the examples given in Section 8. Additional guidance may be obtained from the Board Secretary at 2 Marsham Street.

Homes and Communities Agency Declaration of Interests – Guidance for Staff

2.0 Introduction to the policy

- 2.1 The HCA subscribes to the Nolan Committee's first report 'Standards in Public Life'. This report sets out the seven principles of public life and these are summarized at Annex 2.
- 2.2 There may be times when an employee of the HCA (or an individual on secondment to the Agency) has private interests that could be construed as being in conflict with the nature of their work. This applies to both conflicts of a financial and/or personal interest.
- 2.3 This note sets out the requirements and procedures to be followed should such conflicts arise; and provides examples on how to report and manage conflicts.

3.0 Conflict of interests – General Definitions

- 3.1 'Conflict of interest' is defined by the International Standards for the Professional Practice of Internal Auditing as:

Any relationship that is or appears to be not in the best interests of the organisation. A conflict of interest would prejudice an individual's ability to perform his or her duties and responsibilities objectively.

- 3.2 A 'conflict of interest' is therefore considered by the HCA to be any connection or association with a third party that is (or appears to be) against the best interests of the HCA, or which could enable an employee to be suspected of using their position within the HCA to gain an unfair advantage from a third party.

- 3.3 HCA Terms and Conditions state:

Employees must not use their official position, or information acquired in the course of their work, to gain any benefit or to further their private interests or those of others.

All employees should ensure that any possible conflict of interest is identified at an early stage and appropriate action is taken to resolve it. If an employee has to deal with any matter in the course of their official duties in which they have a private interest, however slight, they must disclose all the facts to their Director.

- 3.4 Conflicts of interest are best avoided altogether, however they are often difficult to avoid; or avoidance may place a serious burden upon business processes or home life. In such circumstances the principles of openness and integrity apply and the required action is for employees to disclose such conflicts; and for the HCA and the employee to manage the conflict accordingly.

4.0 Disclosure of interests for Non-Executive and Executive Directors

- 4.1 The HCA operates a 'disclosure policy' for Non-Executive and Executive Directors that excludes individuals from participating in decisions when there

Homes and Communities Agency Declaration of Interests – Guidance for Staff

is conflict of interest. All such interests are publicly disclosed in a register and this is administered by the Board Secretary at 2 Marsham Street.

5.0 Disclosure of interests for ‘public servants’

- 5.1 To ensure compliance with the Nolan Committee recommendations it is important all employees of the HCA declare any private interests that may result in a potential or actual conflict with their duties.
- 5.2 In addition to the Nolan recommendations, there is often a specific requirement in Terms and Conditions of Service or employment policies for public employees to disclose personal conflicts of interest. These requirements are currently embedded within the Terms and Conditions of employment for HCA.

6.0 Failure to declare a personal interest

- 6.1 Non-disclosure of an actual or potential conflict of interest may result in disciplinary action.

General guidance to HCA employees and their Line Managers

7.0 Discovering a conflict of interest

- 7.1 A ‘personal’ conflict of interest may involve individuals you and your family know. However there are times when a conflict could occur due to your affiliations or by a ‘pecuniary interest’, such as benefiting from a programme or a project’s awarded contract, investment or grant by personal ownership of land or other interests.
- 7.2 Specific advice is provided within this guidance to employees that are in receipt of home purchase assistance arranged or funded by the HCA; or where an HCA assisted landlord or home provider accommodates an employee.
- 7.3 Various conflict of interest ‘scenarios’ are listed in section 8; however, these are not exhaustive examples. Generally speaking, personal conflicts of interest may occur outside your normal day to day HCA duties when you - or your partner / spouse or members of your family are:
- employed as a consultant, contractor, or a supplier to the HCA;
 - become a programme or project applicant or funding recipient;
 - are invited to tender for work on an Agency related programme or project;
 - have a home or an interest in land that the Agency may help fund / purchase / develop / manage;
 - are able to exert external influence on an Agency programme or project.
- 7.4 It is unreasonable to expect you to ‘interrogate’ friends and family to find a potential conflict with your duties. Therefore you may not know there is a conflict until a chance conversation, action or coincidence reveals this.
- 7.5 Once discovered, you are under an obligation to declare the conflict as soon as practicable. If there is any doubt, it is better to declare than conceal.

Homes and Communities Agency Declaration of Interests – Guidance for Staff

8.0 Conflict ‘scenarios’

- 8.1 The following examples are not exhaustive, but are common conflict of interest scenarios.
- 8.2 The potential for conflict arises if you live in a home owned or managed by a landlord, developer or accommodation provider, funded or supported by the HCA and:
- (a) You are dealing with the same accommodation provider as part of your duties at the HCA; and / or
 - (b) Your duties at the HCA involve making decisions that will impact either positively or negatively upon your accommodation provider.
- 8.3 Under these circumstances, your Line Manager, Head of Function or Executive Director should review the level of potential conflict risk (including risk to the reputation of the HCA) and determine whether appropriate controls need to be included.
- 8.4 **In all such cases where an actual or potential conflict results from 8.2(a) and / or 8.2(b) a Declaration of Interest form (see Annex 1) must be completed.**

Example 1

An HCA employee is unable to sell the family home and a Registered Provider (“RP”) offers to rent it to accommodate tenants. The employee is involved with the RP as part of their HCA duties and correctly declared a potential conflict of interest.

The RP provided assurance to the HCA in writing that the rental transaction would be at normal rental rates (market rent in line with the type of tenancy) and that no additional benefit or favouritism was being conferred to the employee. This was attached to the Declaration of Interests form.

The individual’s Line Manager confirmed within the Declaration of Interests that the employee’s day to day involvement with the RP related to new-build affordable rent funding approvals. There was no direct involvement with the RP’s management function that would constitute a conflict; however, the position would be regularly reviewed and any major funding approval decisions would be supervised accordingly to ensure impartiality.

The declaration form was duly completed and sent to the Board Secretary at 2 Marsham Street and a copy held within the Line Manager’s file.

Example 2

A developer has applied for housing gap funding. An employee working within the HCA gap funding administration team wishes to purchase within the same development and registers a potential conflict of interest.

The individual’s Line Manager confirmed within the Declaration of Interests that the final decision to award gap funding for this development fell outside

Homes and Communities Agency Declaration of Interests – Guidance for Staff

the employee's duties; and that any day to day administration of gap funding for this development would be supervised to ensure there was no possible conflict of interest.

The developer confirmed to the HCA in writing that all applicants were treated equally and that no additional benefit or favouritism was being conferred to the employee. This was attached to the Declaration of Interests form.

The declaration form was duly completed and sent to the Board Secretary at 2 Marsham Street and a copy held within the manager's file.

- 8.5 The above conflict examples are relatively straightforward; however, the HCA supports many housing developments through programmes such as Affordable Housing grant, housing gap funding and various other national and site-specific home ownership initiatives.
- 8.6 Employees are not restricted from participating in national or site-specific initiatives; however, there is always the risk that innocent participation in such a scheme will be unjustly challenged. There is no harm in voluntarily declaring you or your family's involvement with such initiatives, as unexpected potential conflict issues or allegations may arise at any time.

Example 3

An HCA employee is offered the last flat in an affordable ownership scheme partially funded by the HCA. The employee has no relationship with the RP as part of workplace duties, but decides to voluntarily complete a declaration.

The employee's Line Manager completed the Declaration of Interests by confirming there was no direct workplace conflict of interests. A letter was obtained from the RP and attached. This confirmed that all flat applicants were treated equally during the allocation process; the RP did not work with the employee on HCA matters; and that no additional benefit or favouritism was conferred to the employee. The declaration form was duly completed and sent to the Board Secretary at 2 Marsham Street and a copy held within the manager's file.

After the transaction was completed, the HCA Press Office received a call from a national newspaper claiming that a member of the public had been 'bumped out' of the queue for the flat; and was alleging some sort of impropriety between the employee and the RP. The Press Office checked with the Board Secretary and after consulting with the employee, reported the contents of the declaration and the letter to the journalist. The journalist agreed that the allegations were unfounded and there was no story.

- 8.7 Whilst the above examples relate to HCA and an employee's home, there are potential conflict issues when somebody makes direct contact with you in an unexpected way for the sole purpose of establishing a working relationship within the Agency. You are best placed to determine if such contact merits declaring; however, if the contact is made outside a normal business environment, there could be a potential conflict of interests worthy of declaring.

Homes and Communities Agency Declaration of Interests – Guidance for Staff

Example 4

An employee evaluates tenders for the HCA's Consultant Panel; and outside work attends a sports and social committee. Another committee member finds out the employee works for the HCA and wants to discuss the tender his firm has submitted. The employee declines the invitation, but is unclear how this needs to be reported.

The employee and Line Manager establish that the committee member's firm submitted a bid which has yet to be evaluated. A Declaration of Interests form was completed and sent to the Board Secretary at 2 Marsham Street. The form was also sent to the HCA Panel Manager and the Procurement Manager resulting in the bid evaluation being suspended.

A discussion with the bidder established that the committee member's involvement with the bid submission was insignificant. The bid was then evaluated by the employee and another independent member of staff. The process was duly documented in case of procurement challenge.

- 8.8 It is important to note that potential conflicts of interest may arise through unexpected connections between the HCA and your family and friends. Once you are aware of a potential conflict you should declare it as soon as practicable.

Example 5

The HCA placed a consultant panel out to tender and an employee's spouse decided to submit a bid for this work.

Although the employee was unconnected with the day to day use of this particular panel, a Declaration of Interests form was duly completed and the Panel Manager informed. It was agreed with the Panel Manager that if independent members of staff were sought to help evaluate the bids, the employee would be conflicted out and could not assist. This action was duly recorded.

The spouse subsequently left the company and the employee notified the Company Secretary that the conflict of interests had passed.

- 8.9 Conflicts of interest may sometimes arise due to voluntary activities and the following examples provide helpful guidance.

Example 6

An HCA employee within an Affordable Housing investment team is invited to volunteer and join the management committee of a development funded by the HCA and ultimately owned by an RP.

Employees are not usually permitted to join committees or Boards of English RPs or developers funded by the HCA as this is an unmanageable conflict of interests.

Membership of a general management committee acting for its residents and operating independently of an RP or HCA funded developer is unlikely to

Homes and Communities Agency Declaration of Interests – Guidance for Staff

become a conflict of interests unless the committee choose to engage directly with the HCA.

In this example the employee does not live in the block, but cares for an elderly resident living there. The employee confirms that the duties will not include day to day involvement with the RP and decides to voluntarily complete a declaration of interests to avoid misunderstandings.

The Line Manager suggested that if the committee decided to discuss subjects which included the HCA or the RP the employee should disclose this interest to the committee at that time and withdraw from the discussion if a conflict of interests arose. This was duly agreed and recorded within the Declaration of Interests form.

Example 7

An employee living near the Borders has asked permission from the HCA to volunteer and join a Scottish Housing Association Board. The Board have indicated that the employee's skills working at the HCA will be of direct benefit to the Housing Association.

Although there is no direct conflict of interest when joining the Boards of Housing Associations in Wales and Scotland, permission from the HCA is always required.

Employees will need to confirm that the Scottish or Welsh Housing Association is not affiliated to any English RP or an HCA funded developer as this may produce an unmanageable conflict of interests.

Once permission is granted, a Declaration of Interests form should be completed in the usual way. This should include procedures to manage conflicts of interest arising from the employee engaging with official bodies or devolved / central government on behalf of the Housing Association.

9.0 Procedure for declaring a conflict of interest

- 9.1 In all cases where an employee declares a personal interest, the Declaration of Interests form (see Annex 1) must be completed. This declaration requires employees to provide details of the conflict. An employee's Line Manager, Head of Function or Executive Director is also required to confirm how the conflict will be managed and sign and date the declaration.
- 9.2 The original signed and countersigned declaration should then be submitted to the Board Secretary at 2 Marsham Street and a copy held by the Line Manager, Head of Function or Executive Director within a locally kept employee file.
- 9.3 Employees are required to complete a new form annually (or sooner if the conflict situation needs to be updated due to changes of circumstances). If the conflict of interests ceases, the Board Secretary should be notified as soon as practicable.

**Homes and Communities Agency
Declaration of Interests – Guidance for Staff**

- 9.4 The HCA has an electronic declaration system which all staff are required to complete in a timely manner.

10.0 Guidance for Line Managers

- 10.1 Once a Declaration of Interests form has been received, Line Managers should discuss with the employee how the conflict will be managed, record this on the declaration and then determine whether the conflict (or the management of the conflict) is likely to impact upon other Functions or Directorates. If such an impact is likely, the employee and the Line Manager should report this to other managers and record this action on the declaration. HCA recommends that any wider circulation of the Declaration of Interests form is kept to a 'need to know' basis only.
- 10.2 To comply with current HCA policy, the conflict of interests should be disclosed to the employee's Executive Director. It is recommended that the Line Manager undertakes this task once the Declaration of Interests form has been fully completed.
- 10.3 HCA recommends that the Line Manager's copy of the Declaration of Interests form is stored securely in a local employee file. You are not permitted to release this information outside the HCA without following normal data protection and freedom of information procedures (seek advice from the Information Access Officer or Legal Team at 2 Marsham Street where necessary).
- 10.4 There may be circumstances where it is appropriate for a file note to be added to programme, project or case files to indicate that an employee has declared a personal interest (especially during tender or procurement exercises); however, copies of the actual Declaration of Interests should not be included. It is sufficient to record in the file that the employee has declared a personal interest, together with further narrative that confirms what alternative arrangements are in place to manage the conflict (for example: that the employee will not be involved in the evaluation or execution of a tender).

11.0 Further guidance

- 11.1 Inevitably there will be 'grey areas' regarding the interpretation of a personal interest (and whether this will subsequently become a conflict of interest). In all cases employees and their line managers should discuss the 'grey area' with their Executive Director and the Board Secretary at 2 Marsham Street, who will decide if the completion of a Declaration of Interests form is required.
- 11.2 Comments regarding this guidance (or where clarification of general procedure is required) should be referred to the Board Secretary at 2 Marsham Street.

24 June 2013

Homes and Communities Agency
Declaration of Interests – Guidance for Staff

HCA Declaration of Interests Form

Annex 1

Name of person making this declaration:

Location and Directorate:

Nature of declaration:

Background

(Summary of any information that provides additional context to the declaration)

The potential conflict and the parties involved

(Describe why there is a conflict and name the individuals or organisations involved)

Likely duration of conflict

(Explain if this will be an ongoing conflict or specific to a particular investment decision)

Managing the potential conflict

(N.B. Line Manager, Head of Function or Executive Director to provide details of how the potential conflict will be managed)

Signature of Line Manager, Head of Function or Executive Director

.....

Date.....

Signature of person making this declaration

.....

Date.....

I have been given a copy of, and have read and understood the HCA's Declaration of Interests – Guidance for Staff regarding disclosure of personal interests and I agree to abide by its provisions. I declare to the best of my knowledge and belief, the information given within this form is correct.

Checklist

- ORIGINAL TO THE BOARD SECRETARY AT 2 MARSHAM STREET
- Copy to your Line Manager, Head of Function or Executive Director

Homes and Communities Agency Declaration of Interests – Guidance for Staff

Annex 2 Disclosure of Personal Interests

Corporate values

THE SEVEN PRINCIPLES OF PUBLIC LIFE

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 or other obligation to outside individuals or organisation 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 to take steps to resolve any conflicts arising in a way that protects the public interests.

Leadership

Holders of public office should promote and support these principles by leadership and example.

The Seven Principles of Public Life were endorsed in “Spending Public Money: Governance and Audit Issues”, CM 3179, March 1996