



**Regulator of Social Housing Code of Conduct and Practice for Board
Members and Committee and Sub-Committee Members (“The Code”)**

1 INTRODUCTION

- 1.1 Parts 2-6 of the Code are based upon the Cabinet Office Code of Conduct for Board Members of Public Bodies. Parts 7-14 are specific to the Regulator.
- 1.2 This Code applies to all members of the Board of the Regulator, and all members of any committees or sub-committees of the Regulator.
- 1.3 As a public office-holder, your behaviour and actions must be governed by the principles set out in this Code. It is your responsibility to ensure that you are familiar with, and comply with, all the relevant provisions of the Code whenever you conduct the business of the Regulator or you act, claim to act, or give the impression of acting, as a representative of the Regulator.
- 1.4 This Code cannot be exhaustive and it is important that you always apply it in the spirit of the key principles of public life. If you are in doubt about the interpretation of the Code, please speak to the Chair of the Board, the Chief Executive, the Head of Legal & Company Secretary, or the Board Secretary.
- 1.5 You should also comply with the terms of your appointment, as set out in the documents issued to you at the time you were appointed.
- 1.6 Breaches of this Code may result in disciplinary action up to and including

removal from office.

2 KEY PRINCIPLES OF PUBLIC LIFE

2.1 The key principles upon which this Code is based are the Seven Principles of Public Life, or the Nolan Principles. These are:

Selflessness

You should take decisions solely in terms of the public interest. You should not do so in order to gain financial or other material benefits for yourself, your family, or your friends.

Integrity

You should not place yourself under any financial or other obligation to outside individuals or organisations that might, or might be perceived to, influence you in the performance of your official duties. You must declare any interests and relationships that could create a conflict of interest, as explained in Section 4, below.

Objectivity

In carrying out public business, including awarding contracts and recommending individuals for rewards and benefits, you should make choices on merit using the best evidence, without discrimination or bias.¹

Accountability

You are accountable for your decisions and actions to the public and

¹ Additional detail is set out in the Regulator's Procurement Policy, and officers are guided by the Procurement Manager and the Legal Team.

must submit yourself to whatever scrutiny is appropriate for your office.

Openness

You should be as open as possible about the decisions and actions that you take. You should give reasons for your decisions and restrict information only when the wider public interest clearly demands.

Honesty

You have a duty to declare any private interests or relationships relating to your public duties and to take steps to resolve any conflicts arising in a way that protects the public interest. You must be truthful.

Leadership

You should promote and support these principles by leadership and example.

- 2.2 These principles should inform your actions and decisions as a Board member.

3 GENERAL CONDUCT

Use of Public Funds

- 3.1 You have a duty to ensure the safeguarding of public funds and the proper custody of assets which have been publicly funded.
- 3.2 You must carry out your fiduciary obligations responsibly –that is, take appropriate measures to ensure the Regulator uses resources efficiently, economically and effectively, avoiding waste and extravagance. It will always be improper use of public funds for public bodies to employ

consultants/ other companies to lobby Parliament, Government or political parties.

Allowances

- 3.3 You must comply with the rules set by DLUHC and the Regulator regarding remuneration, allowances and expenses. It is your responsibility to ensure compliance with all relevant HM Revenue and Customs' requirements concerning payments, including expenses.

Gifts and Hospitality

- 3.4 You must not accept any gifts or hospitality which might, or might reasonably appear to, compromise your personal judgement or integrity or place you under an improper obligation.
- 3.5 You must never canvass or seek gifts or hospitality.
- 3.6 You must comply with the rules set by the Regulator on the acceptance of gifts and hospitality. You should inform the Board Secretary of any gifts or hospitality and ensure that, where a gift or hospitality is accepted, this is recorded in a public register in line with the rules set by the Regulator.
- 3.7 You are responsible for your decisions on the acceptance of gifts or hospitality and for ensuring that any gifts or hospitality accepted can stand up to public scrutiny and do not bring the Regulator into disrepute.

Use of Official Resources

- 3.8 You must not misuse official resources for personal gain or for political purposes. Use of such resources must be in line with the Regulator's rules on their usage.

Use of Official Information

- 3.9 You must not misuse information gained in the course of your public service for personal gain or for political purpose.
- 3.10 You must not disclose any information which is confidential in nature or which is provided in confidence without authority. This duty continues to apply after you have left the Board in relation to information received while you held office. This is in order to avoid the risk that another organisation might gain an improper advantage over its competitors by employing someone who, in the course of their duties at the Regulator, had access to technical or other information which those competitors might legitimately regard as their own trade secrets, or to information relating to proposed developments in Government policy which may affect that organisation or its competitors.

Political and Other Outside Activity

- 3.11 In your public role, you should be, and be seen to be, politically impartial. You should not occupy a paid party political post or hold a particularly sensitive or high-profile role in a political party. You should abstain from all controversial political activity and comply with Cabinet Office rules on attendance at Party Conferences.
- 3.12 On matters directly related to the work of the Regulator, you should not make political statements or engage in any other political activity.
- 3.13 In your official capacity, you should be even-handed in all dealings with political parties.

3.14 Subject to the above, you may engage in political activity but should, at all times, remain conscious of your responsibilities as a Board member and exercise proper discretion. You should inform the Chair and DLUHC before undertaking any significant political activity.²

Employment, Appointments, and Links with registered providers

3.15 If you wish to take up new employment or appointments during your term of office, you must inform the Accounting Officer, the Board Secretary and the Chair. You should consider if any conflicts of interest arise and carefully read the following paragraphs.

3.16 Close links with registered providers:

- a. For the purposes of this Code, a registered provider means a registered provider regulated by the regulator, pursuant to the Housing and Regeneration Act 2008 (the Act), and includes registered providers into which a registered provider has subsequently been merged or subsumed.
- b. For the purposes of this Code, a person is treated as having a close link with a registered provider in the following scenarios:
 - i. They hold office as a board, committee or sub-committee member of a registered provider, or any associate or subsidiary (as defined in the Act) of a registered provider, or
 - ii. They are a member of a Local Authority registered provider, or

² (Please also see specific provisions in relation to Elections and Referendums in section 14 below.)

- iii. They are an employee of a registered provider, or any associate or subsidiary (as defined in the Act) of a registered provider, or
 - iv. They are a tenant or long-leaseholder of a registered provider.
- c. You are not permitted to have a close link with a registered provider, as defined in this Code, at any time while you are a member of the Regulator's Board or any of its committees or sub-committees.
- d. If a connected person (i.e. a person who is connected to you, such as a family member – please refer to the full definition in paragraph 11.3) has a close link with a registered provider, as defined in this Code, you are required to:
 - i. treat that as a conflict of interest and follow the relevant procedures for handling that conflict, and
 - ii. in addition, whether or not the conflict rules require you to do so, always absent yourself from discussions about the relevant registered provider.
- e. If you or a connected person have had a close link with a registered provider, as defined in this Code, at any time within the last ten years, you are required to:
 - i. treat that as a conflict of interest and follow the relevant procedures for handling that conflict, and
 - ii. in addition, whether or not the conflict rules require you to do so, always absent yourself from discussions about the relevant registered provider where those discussions relate to matters of

non-compliance or potential non-compliance with the regulatory standards.

3.17 You must consider the probity of acceptance of future employment and/or appointments after you end your period of office at the Regulator, especially during the first 12 months after that period has ended, paying particular regard to:

- whether the employment/appointment would have given rise to a close link with a registered provider as defined in this Code,
- whether you should discuss the potential employment/appointment with the Chair or Accounting Officer of the Regulator before accepting it, or at least give the Chair or Accounting Officer notice of your planned acceptance,
- your ongoing obligations of confidentiality to the Regulator (noting your obligations in paragraphs 3.9 and 3.10 of this Code),
- any reputational issues that could arise from you taking up the new post,
- the Nolan Principles.

Social Media

3.18 All of the above principles apply to activity on social media as much as to activities undertaken in person, and you should take care to ensure that your presence on social media platforms is always appropriate to your role.

4 MEMBERS' INTERESTS

- 4.1 You must ensure that no conflict arises, or could reasonably be perceived to arise, between your public duties and your private interests – financial or otherwise.
- 4.2 You must comply with the rules of the Regulator (*section 11 below*) on handling conflicts of interests. As a minimum, these will require you to declare publicly any private interests which may, or may be perceived to, conflict with your public duties. The rules will also usually require you to remove yourself from the discussion or determination of matters in which you have an interest, but you should consult section 11 below for full details.
- 4.3 It is your responsibility to ensure that you are familiar with the Regulator's rules on handling conflicts of interests, that you comply with these rules and that your entry in the Regulator's register of members' interests is accurate and up-to-date and published on the Regulator's website.

5 RESPONSIBILITIES AS A BOARD MEMBER OR COMMITTEE/SUB-COMMITTEE MEMBER

- 5.1 You should play a full and active role in the work of the Regulator. You should fulfil your duties and responsibilities and, at all times, act in good faith and in the best interests of the Regulator.
- 5.2 You should deal with the public and their affairs fairly, efficiently, promptly, effectively and sensitively, to the best of your ability. You must not act in a way that unjustifiably favours or discriminates against particular individuals or interests.

- 5.3 You should promote a supportive and inclusive working environment in the Regulator, recognising the importance of the Public Sector Equality Duty.
- 5.4 You should promote an environment where discrimination, harassment, and victimisation are eliminated and where different perspectives and backgrounds are encouraged and valued .
- 5.5 Your actions should promote the advancement of equality of opportunity and foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 5.6 You must not harass, bully or act inappropriately towards or discriminate towards others. Such behaviour is not consistent with what is expected of you as a Board member and will not be tolerated.
- 5.7 You must comply with any statutory or administrative requirements relating to your post.
- 5.8 You should respect the principle of collective decision-making and corporate responsibility. This means that, once the Board has made a decision, you should support that decision.
- 5.9 You must not use, or attempt to use, the opportunity of public service to promote your personal interests or those of any connected person, firm, business or other organisation.

6 RESPONSIBILITIES TOWARDS EMPLOYEES

- 6.1 You will treat any staff with courtesy and respect. It is expected that employees will show you the same consideration in return.

6.2 You will not ask or encourage employees to act in a way which would conflict with their own Code of Conduct.

7 RELATIONSHIP WITH THE SPONSOR DEPARTMENT

7.1 Relationships with the sponsoring Government Department (Department for Levelling Up, Housing and Communities, or DLUHC) are governed by the Framework Document, published on the RSH website, and Board members should familiarise themselves with this document.

7.2 The main point of contact between the Regulator and DLUHC will be the Chief Executive/ Deputy Chief Executive and other senior members of staff. Communications between the Board and the Secretary of State will normally be through the Chair except where the Board has agreed that an individual member should act on its behalf. Nevertheless, an individual member may access DLUHC officers or ministers directly if he or she believes that is necessary in order to raise important issues relating to his/her duties as a member, and the usual communication channels are inappropriate or have been exhausted. In such cases the agreement of the rest of the Board will normally be sought, and in any event the member should endeavour to be transparent about his/her actions with the Chief Executive/Deputy Chief Executive, Chair or other Board members (as appropriate).

8 ROLE AND RESPONSIBILITIES OF THE CHAIR

8.1 The Chair is appointed by the Secretary of State and has particular responsibility for providing effective strategic leadership. The Chair must comply with his/her responsibilities as set out in the Framework Document agreed with DLUHC.

9 ROLE AND RESPONSIBILITIES: BOARD AND COMMITTEES

- 9.1 The role and responsibilities of the Board of the Regulator and any committees are set out in the relevant Terms of Reference and Standing Orders.
- 9.2 Individual Board and committee members have collective corporate responsibility for decisions and for ensuring responsibilities are discharged.
- 9.3 Individuals must also ensure that they comply with their responsibilities as set out in the Framework Document agreed with DLUHC.

10 DELEGATION

- 10.1 Members serve on a part-time basis. To the extent permitted by legislation and other provisions, responsibility for day-to-day management matters should be delegated to staff so far as is practicable, with a clearly understood framework of strategic control.
- 10.2 Detailed provision for delegation is set out in the Board Terms of Reference and Standing Orders.

11 HANDLING CONFLICTS OF INTERESTS

- 11.1 All Board members and members of committees and sub-committees of the Regulator should comply with the rules on personal interests as set out in the Housing and Regeneration Act 2008 (the HRA) and in the Board Terms of Reference and Standing Orders.
- 11.2 To aid in interpreting the requirements around declaring and managing interests, the Regulator has adopted the National Audit Office definition of a **conflict of interest** as follows:

A set of circumstances that creates a risk that an individual's ability to apply judgement or act in one role is, or could be, impaired or influenced by a secondary interest. It can occur in any situation where an individual or organisation (private or government) can exploit a professional or official role for personal or other benefit. This definition is based on generally accepted standards.

Conflicts can exist if the circumstances create a risk that decisions may be influenced, regardless of whether the individual actually benefits. The perception of competing interests, impaired judgement or undue influence can also be a conflict of interest.

Conflicts might occur if individuals have, for example:

- *a direct or indirect financial interest;*
- *non-financial or personal interests; or*
- *conflicts of loyalty where decision-makers have competing loyalties between an organisation they owe a primary duty to and some other person or entity.*

11.3 The Regulator has also adopted the following key terms, again to aid members and committee members in applying the relevant rules:

Conflict of loyalties means: *a loyalty or a duty which the individual owes, or feels s/he owes, to one or more persons or organisations other than the Regulator, the existence of which means that the individual might not always act in the best interests of the Regulator.*

Connected person means (definition based on that in s.252, Companies Act 2006): *a) members of the individual's family (spouse or civil partner and any other person with whom the individual lives as a partner in an enduring family relationship; that partner's children or step children under 18 years of age; children or step children of the individual and their partner or spouse; the*

individual's parents); and

b) any body corporate with which the individual is connected; and

c) any person acting in his/her capacity as a trustee of a trust – i) the beneficiaries of which include the individual or a person who by virtue of (a) or (b) is connected with him, or ii) the terms of which confer a power on the trustees that may be exercised for the benefit of the individual or any such person, other than a trust for the purposes of an individual's share scheme or pension scheme; and

d) any person acting in his/her capacity as a partner – i) of the individual, or ii) of a person who by virtue of (a) to (c) is connected with that individual; and

e) any firm that is a legal person under the law by which it is governed and in which – i) the individual is a partner, ii) a partner is a person who by virtue of (a) or (b) or (c) is connected with the individual.

Direct financial interest means: *an individual's interest in a situation in which they stand to receive a financially measurable benefit over and above his/her remuneration as a member or committee member of the Regulator. This could include cash benefits, but also financial benefits such as shares, property, contracts, etc.*

Indirect financial interest means: *an individual's interest in a situation in which a connected person has a direct financial interest (e.g. the individual's husband is a partner in a law firm which works for the Regulator - the individual as well as her husband will have an interest in the profits made by the husband).*

Non-financial or personal interest means: *an individual's non pecuniary interest in a situation (i.e. not a direct or indirect financial interest). This could include a reputational benefit or any other intangible advantage.*

Social housing sector includes: *all RPs and any organisations which work with them, such as estate management contractors, lenders, service providers,*

consultants, construction contractors, house builders, property consultants, etc.
the phrase should it be interpreted in the broadest possible way.

- 11.4 The work of the Regulator must be carried out in an environment free from suggestion of improper influence. All rules and definitions in this Code and elsewhere should be interpreted with an attitude of probity, complying with the spirit as well as the letter of the provision, and always considering what a reasonable member of the public might conclude. The Regulator seeks to ensure that its stakeholders and the general public have confidence in what it does and in the people who run it. This cannot be achieved unless all possible conflicts (including those arising indirectly through connected persons) are identified, declared, and managed appropriately.
- 11.5 Consequently, all members and committee members are required to complete a declaration of interests annually, or sooner if a new conflict arises. New members and committee members will be asked to make a declaration at induction. It is the responsibility of individual members and committee members to ensure that the Regulator's Register of Interests lists all possible conflicts of interests as defined above.
- 11.6 Declarations should be submitted promptly to the Board Secretary, who will store them securely in hard copy or electronically. The information will be published on the Regulator's website and destroyed when it is no longer required for business purposes, in accordance with relevant policies.
- 11.7 General declarations should not be regarded as a substitute for making specific disclosures where appropriate at particular meetings.

11.8 Financial transactions and investments are particularly likely to give rise to the risk of conflicts, insider trading, or market abuse. Individuals are required to consider these risks before making personal investment decisions and avoid taking any steps that might bring the Regulator into disrepute and to comply with the Regulator's policies in this area.³

11.9 Declarations of shareholdings should as a minimum include any shareholdings that are:

- by their nature relevant to the work of the Regulator,
- significant in terms of volume or value and represent 3% or more of the share capital of the company concerned.

11.10 Market Abuse Regulations ("MAR") exist to prevent and detect insider dealing, unlawful disclosure of inside information, and market manipulation. It is possible that individuals may, through their position at the Regulator, become aware of commercially sensitive, confidential or market sensitive 'insider information' (a non-public fact regarding the plans or condition of a publicly traded company that could provide a financial advantage when used to buy or sell shares of the company's stock⁴. Such information must not be used or disclosed to others for financial gain.

11.11 In order to minimise the risk of allegations of insider trading and/or market abuse⁵, individuals and connected persons who need to trade or invest in

³ In particular please note and ensure you comply with the Regulator's "Market Abuse Policy"

⁴Illegal insider trading refers generally to buying or selling a security, in breach of a fiduciary duty or other relationship of trust and confidence, while in possession of material, non-public information about the security. Insider trading violations may also include "tipping" such information, securities trading by the person "tipped," and securities trading by those who misappropriate such information. "Tipping" is the provision of insider information to another party, who then uses this information to their advantage.

⁵ Criminal insider dealing is an offence under Part V of the Criminal Justice Act 1993, and criminal market

social housing sector organisations must obtain prior written approval in accordance with the Regulator's Market Abuse Policy.

11.12 It is never likely to be appropriate for a Board member or a member of a committee or sub-committee, or a connected person, to enter into a transaction with the Regulator as a corporate body. If there is any suggestion of such a transaction occurring or having occurred, it should be declared immediately to the Board Secretary.

12 PERSONAL LIABILITY OF BOARD AND COMMITTEE MEMBERS

12.1 Although any legal proceedings initiated by a third party are likely to be brought against the Regulator as a corporate body, in exceptional cases proceedings (civil or, in certain cases, criminal) may be brought against the Chair or other individual Members. For example, you may be personally liable if you make a fraudulent or negligent statement which results in loss to a third party. If you misuse information gained by virtue of your position, you may be liable for breach of confidence under common law or may commit a criminal offence under insider dealing legislation.

12.2 Your terms and conditions of appointment set out the degree to which you are entitled to any indemnification in relation to personal liability.

12.3 If you need further advice you should consult the Chair of the Board, the Chief Executive, the Head of Legal & Company Secretary or the Board Secretary

manipulation is an offence under sections 89-91 of the Financial Services Act 2012. For breaches of MAR the FCA can impose unlimited fines, order injunctions, or prohibit regulated firms or approved persons. Criminal sanctions for insider dealing and market manipulation can incur custodial sentences of up to 7 years and unlimited fines. <https://www.fca.org.uk/markets/market-abuse/regulation>

13 THE BOARD AS EMPLOYER

- 13.1 The responsibilities of the Regulator's Board as employer are set out in its Terms of Reference and Standing Orders.
- 13.2 Where Board members act collectively in their capacity as employer, for example in making senior appointments, they should ensure that an adequate field of qualified candidates is considered, normally requiring full open competition for recruitment of external candidates.
- 13.3 The Board shall ensure that a suitable Code of Conduct for staff is in place, in accordance with current guidance issued by the Cabinet Office for executive NDPBs, and which has been approved by DLUHC.

14 ELECTIONS AND REFERENDUMS

- 14.1 Prior to any UK local or national election or referendum certain restrictions apply to the activities of members and committee members for the 21 or 28-day period ending with the date of the poll. The restrictions, under the Political Parties, Elections and Referendums Act 2000, are that:
- For local elections, a prohibition on publishing material that would impact on any local issues raised.
 - For General Elections, a prohibition on publishing any material that would impact on any of the issues raised.
 - For referendums, a prohibition on publishing material which deals with any of the issues raised by the question posed in a referendum.

14.2 Board and committee/sub-committee members may only participate in a referendum campaign – whether for a “Yes” or “No” vote – in their capacity as private citizens and should avoid engaging in specific election activities on matters directly affecting the work of the Regulator.

Agreed by the Board of the Regulator of Social Housing on: 28 November 2023

Effective date: 28 November 2023