

## **Section: 12**

### **Barnet Homes Standards and Ethics Committee Procedures**

#### **Purpose of the Committee**

The Standards and Ethics Committee (SEC) has been established to deal with breaches of the Code of Conduct by Board Directors and to resolve Board Director grievances. It may also formally review appeals in the instance of cases of whistle blowing (For more detail see the Board Directors whistle blowing policy).

In addition the SEC is also charged with responsibility for hearing matters of a disciplinary and grievance nature in relation to the Chief Executive Officer, Deputy Chief Executive Officer or Heads of Service.

The SEC is an ad hoc committee that will only be required to meet on a case by case basis as required.

Grievances or disciplinary issues in relation to officers other than the Chief Executive Officer, Deputy Chief Executive Officer or Heads of Service will be dealt with by the Chief Executive Officer by way of the Barnet Homes Human Resources Policies and Procedures and will not be within the remit of the SEC.

A Board Appeal Panel will however be convened to deal with any appeals arising from such action.

#### **Who sits on the SEC?**

The make up of the SEC will be dictated by who is appearing before it and the nature of the case. In the main it will be made up of:

- The Board Chair (or Vice Chair) and they will chair the SEC,
- Two further Board Directors to be nominated,

#### **The Board Directors Code of Conduct**

A copy of the Board Directors Code of Conduct has been included in this folder. In drawing up the SEC procedures account has been taken of the fact that the public and residents of Barnet Homes are entitled to expect high standards of conduct from the Board of Directors.

Equally, Barnet Homes recognises that the Board Directors should be treated in a fair and consistent manner. Action will only be taken under the Code of Conduct where good reason and clear evidence exists and where it is appropriate to do so. Board Directors retain a right of appeal to the full Board if they feel they have been unfairly dealt with.

## **Board Director Grievances**

The SEC provides a means for dealing both fairly and promptly with Board Director grievances that cannot be resolved by more informal discussion between the relevant parties. A referral to the SEC to formally solve a Board Director's grievance will be as a last resort and only after other informal efforts have been exhausted.

A grievance will normally relate to the actions or inactions of a fellow Board Director, the Chief Executive, Deputy Chief Executive Officer or a Head of Service in relation to Barnet Homes business.

A Board Director who has been unable to resolve their grievance by way of informal discussion will be required to submit a written outline of the issue to the Chair, Vice-Chair, Chief Executive Officer, Deputy Chief Executive Officer or Company Secretary. They will arrange for the grievance to be formally investigated. They will examine the facts and provide a report for the SEC to consider. The SEC will consider the report and be able to question each party to the grievance hearing their personal point of view on the matter.

The SEC shall determine if the grievance is upheld and agree how any conflict is to be resolved.

Action taken against a Board Director under the Code of Conduct that has begun before a grievance is lodged should be completed before the grievance is dealt with.

Registration of a grievance by a Board Director will not necessarily subsequently prevent action being taken under the Code of Conduct if it is found that a breach of the Code has been committed.

The Board Director shall have a right of appeal to the full board if they are dissatisfied with the outcome.

## **Breaches of the Board Directors Code of Conduct**

The Code of Conduct outlines the behaviours that organisation and its customers can expect of the Board Directors. The SEC is the formal mechanism for dealing with serious or repeated breaches of the Code of Conduct.

The SEC may upon hearing the evidence of the breach take the following action:

- Dismiss the allegation and exonerate the Board Director/officer
- Issue a recorded written warning to the Board Director/officer
- Issue a final written warning
- Recommend to the full Board the removal of the Board Director subject to a full Board vote under article 19 (6)

The normal consequence of any breach of the Code of Conduct or other significant finding against a Board Director will be a recommendation for dismissal from the Board.

In any cases of suspected or alleged breach of the Board Directors Code of Conduct an investigation must be undertaken as speedily as possible. There must be good reason to believe that the breach of the Code of Conduct took place and that no satisfactory explanation can be made.

The Chair, Vice-Chair, Chief Executive Officer, Deputy Chief Executive Officer or Company Secretary will arrange for a formal investigation to take place. Clear terms of reference will be drawn up for the investigation. The investigator will also be demonstrably independent of, and have no direct interest in, the matter under investigation.

A clear separation of roles needs to be maintained throughout the proceedings between those carrying out the investigation/ presenting evidence and those acting as impartial advisers to the SEC, to avoid the proceedings becoming compromised.

The investigation will collect evidence and examine the facts and determine if the SEC needs to be convened. The investigation will follow as closely as practicable the principles of natural justice (i.e. innocent until proven guilty, ability for the Board Director to put their case before a decision is made and adequate notice of the hearing).

### **Before the "hearing"**

Once it has been decided to convene a SEC hearing, a minimum of 2 calendar weeks notice in writing will be given to the Board Director. This will also set out the details of the case, the grounds under which action is being taken and details of the hearing. Any written evidence to be presented at the SEC hearing will also be disclosed along with details of any witnesses it is intended to call.

If due to exceptional or unforeseen circumstances, the Board Director is unable to attend at the appointed date/ time, an adjournment will be considered at the discretion of the SEC chair.

To ensure that proceedings remain discreet and confidential, any witnesses called to give evidence at the SEC will be kept to a minimum. Written statements signed by the individual concerned will be used where possible. However, there may be occasions where it is essential to call witnesses in person. Depending on the nature of the case, witnesses could be members of staff, other board directors, residents or external organisations. Where it is established that witnesses are required in person, in the case of staff and board directors, they will be obliged to attend. Where in exceptional circumstances, staff/ board directors are unable to attend for example due to

sickness or pre-booked annual leave, the SEC hearing may have to be re-arranged.

The Board Director will need to consider whether to respond in writing to the allegations made against them, whether to bring a representative or friend and also whether they intend to call any witnesses to give evidence at the hearing. These details must be submitted a week in advance of the SEC hearing.

### **At the “hearing”**

The hearing will be attended by the members of the SEC, the Board Director, their respective advisers or friend and any witnesses called.

The case against the Board Director will be heard first with any supporting evidence including witnesses, if appropriate. The Board Director will be entitled to ask any questions as will the SEC members. The Board Director may then present their defence including any supporting evidence including witnesses if appropriate. Again the SEC may ask questions in relation to clarifying the evidence.

The SEC will determine if the breach is proven and the severity of the outcome if it is. Previous proven breaches of the Code including recorded informal discussions regarding behaviour with the relevant Board Director will be taken into account when forming a view. The outcome of the SEC findings will be confirmed to the Board Director in writing within 10 working days.

The Board Director shall have a right of appeal to the full board if they are dissatisfied with the outcome.

### **Maintaining Confidentiality**

As in the case of any disciplinary matters, it is essential that all aspects of the proceedings remain confidential both, before and after the hearing. The subject of the investigation is not to be discussed with any other party (inside or outside of Barnet Homes) and all documentation relating to the hearing must be stored securely. This applies to all taking part in the process. Failure to comply with this may result in disciplinary action (staff), or action for breach of the Code of Conduct (board directors) being considered.

After the SEC hearing, all paperwork relating to the proceedings is to be returned to the Company Secretary for secure storage or disposal as appropriate.

### **Serious cases of alleged misconduct**

Where the alleged misconduct is of a very serious nature and it is felt that the timing of the investigation and SEC proceedings may impinge upon the effective running of the board, it may be necessary to expedite proceedings e.g. calling an emergency board meeting to hear the case and reach a

decision. This will be considered in very exceptional cases only and the principles of natural justice will still be followed. Each case will be considered on its merits and legal advice sought as necessary.

#### **Cost of independent legal advice**

Where Directors seek independent legal advice in defending claims against them at SEC hearings, it has been established that Barnet Homes will not be able to meet the costs.

#### **Administration of the SEC hearing**

The proceedings will be administered by the Governance & Efficiency team in Corporate Services. The Company Secretary or the Governance & Efficiency Manager will be on hand to assist and advise the SEC during the proceedings as appropriate.

#### **Senior Officer Disciplinary matters**

As indicated above, the SEC is also charged with responsibility for hearing matters of a disciplinary nature in relation to the Chief Executive Officer, Deputy Chief Executive Officer or Heads of Service.

The procedure for dealing with such matters will follow those outlined within the Barnet Homes Personnel Procedures. The SEC will replace the officers with authority to dismiss employees in this instance.

The SEC shall have access to expert Human Resources advice for such hearings either from within the company, or externally if appropriate.

The right of appeal shall be to the full Board.