

SCHEDULE 7 REGULATION OF REGISTERED SOCIAL LANDLORDS

PART 1

CONTROL OF PAYMENTS TO MEMBERS ETC.

Payments by way of gift, dividend or bonus

- 1 (1) A registered social landlord must not make a gift or pay a sum by way of dividend or bonus to—
- (a) a person who is or has been a member of the body,
 - (b) a person who is a member of the family of a person within paragraph (a),
 - (c) a company of which a person within paragraph (a) or (b) is a director, or
 - (d) a firm of which a person within paragraph (a) or (b) is a member,
- except as permitted by this paragraph.
- (2) The following are permitted—
- (a) the payment of a sum which, in accordance with the constitution or rules of the body, is paid as interest on capital lent to the body or subscribed by way of shares in the body,
 - (b) the payment by a fully mutual housing association to a person who has ceased to be a member of the association of a sum which is due to the person either under a tenancy agreement with the association or under the terms of the agreement under which the person became a member of the association.
- (3) Where a landlord pays a sum or makes a gift in contravention of this paragraph, the landlord may recover the sum or the value of the gift, and proceedings for its recovery must be taken if the Scottish Ministers so direct.

Payments and benefits to officers and employees etc.

- 2 (1) A registered social landlord must not make a payment or grant a benefit to—
- (a) an officer or employee of the landlord,
 - (b) a person who at any time within the preceding twelve months has been a person within paragraph (a),
 - (c) a close relative of a person within paragraph (a) or (b), or
 - (d) a business trading for profit of which a person falling within paragraph (a), (b) or (c) is a principal proprietor or in the management of which such a person is directly concerned,
- except as permitted by this paragraph.
- (2) The following are permitted—
- (a) payments made or benefits granted to an officer or employee of the landlord under that person's contract of employment with the landlord,
 - (b) the payment of expenses to an officer of the landlord who does not have a contract of employment with the landlord,
 - (c) any such payment as may be made in accordance with paragraph 1(2) (interest payable in accordance with the rules and certain sums payable by a fully mutual housing association to a person who has ceased to be a member),

Status: This is the original version (as it was originally enacted).

- (d) the grant or renewal of a tenancy by a co-operative housing association,
 - (e) where a tenancy of a house has been granted to, or to a close relative of, a person who later became an officer or employee, the grant to that tenant of a new tenancy whether of the same or another house,
 - (f) payments made or benefits granted with the approval of the Scottish Ministers (which approval may be given only in relation to a class or classes of case).
- (3) Where a landlord pays a sum or grants a benefit in contravention of this paragraph, the landlord may recover the sum or value of the benefit; and proceedings for its recovery must be taken if the Scottish Ministers so direct.

Maximum amounts payable by way of fees, expenses, etc.

- 3 (1) The Scottish Ministers may from time to time specify the maximum amounts which may be paid by a registered social landlord—
- (a) by way of fees or other remuneration, or by way of expenses, to a member of the landlord who is not an officer or employee of the landlord, or
 - (b) by way of expenses to an officer of the landlord who does not have a contract of employment with the landlord,
- and different amounts may be so specified for different purposes.
- (2) Where a landlord makes a payment in excess of the maximum permitted under this paragraph, the landlord may recover the excess, and proceedings for its recovery must be taken if the Scottish Ministers so direct.