

SCHEDULE 7
REGULATION OF REGISTERED SOCIAL LANDLORDS

PART 1

CONTROL OF PAYMENTS TO MEMBERS ETC.

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),
 - (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.