



BOARD AND COMMITTEE EXPENSES AND REMUNERATION PROCEDURE

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Rochdale Boroughwide Housing Limited is a charitable community benefit society.
FCA register number 31452R.

Registered Office: Sandbrook House, Sandbrook Way, Rochdale OL11 1RY.

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CONTENTS



Section	Page
General Considerations	4
Procedure	4
Board Chair Remuneration	6
Equality and Diversity	8
Monitoring and Review	8
Links to other RBH Strategies and Policies	8

1. General Considerations

This is the new Board and Committee Expenses and Remuneration Procedure which has been updated to include details of Non-Executive Director (NeD) remuneration which was approved by the Representative Body in December 2019.

2. Expenses Procedure

2.1 All NeD's, Committee Members and the Board Chair receive a payment in accordance with their Services Agreement. NeD's and Committee Members are also entitled to expenses incurred in relation to approved duties. Examples of such approved duties include:

- Board and Committee Meetings
- Meetings of Committees established by the Board
- Ad hoc meetings arranged by the Board
- Attendance at meetings of the Representative Body
- Training events
- Conferences

Expenses will not be paid for membership events, such as 'celebration days', 'membership conferences' and suchlike.

3. Board Members Responsibilities

3.1 Board and Committee Members, not Rochdale Boroughwide Housing, are individually responsible for the notification of eligible income, including equipment, in tax and welfare benefit calculations and should seek specialist advice /discuss with HMRC and appropriate benefits agencies where necessary.

3.2 Board and Committee Members are responsible for ensuring that their car insurance policy covers them for travel related to discharging their duties.

3.3 Board and Committee Members must make reasonable efforts to incur expenses at the lowest possible cost.

4. Payment

4.1 Payments will be paid by BACS. All expense claims (excluding car mileage) must be supported by original receipts or invoices.

4.2 Expenses can be paid in advance for authorised duties. Backdating of claims is limited to six months.

4.3 Expenses should be claimed on a regular basis as and when they occur, to ensure that any discrepancies may be corrected within a reasonable timeframe. Receipts

Board Expenses and Board Chair Remuneration Procedure

should be attached to the claims. Board and Committee Members are asked to complete expense claims using the Employee Self-Service (ESS) system. The guide on how to claim expenses via ESS can be found at appendix 3.

- 4.4 The Rules state that any expenses paid to Board and Committee Members and the level of Board Chair and NeD remuneration will be published annually within the financial statements.

5. Eligible Items and the Applicable Rates

- 5.1 *Travelling Expenses* - RBH is committed to achieving value for money. Board and Committee Members should travel in the most efficient way where possible. RBH will arrange train journeys and accommodation where necessary for journeys outside the borough. Costs incurred for the use of the bus, train or taxi (for local journeys) and car parking will be reimbursed at cost where receipts are provided. RBH will not pay fines for parking or driving offences incurred whilst undertaking duties.
- 5.2 *Overnight stays* - A fixed sum of £10 will be payable for networking or social costs for events requiring an overnight stay.
- 5.3 *Subsistence and Overnight Incidentals* – When on approved Board or Committee Member business, reasonable expenses relating to subsistence, which includes costs for meals and accommodation, will be reimbursed providing a valid receipt is provided. Where an overnight stay is approved the maximum that can be claimed per night from the Society’s contracted supplier is £100 outside London, £150 within London and £100 outside of UK
RBH will reimburse for overnight expenses such as private phone calls and laundry at a maximum of the incidental overnight expenses allowance if you are required to stay away on business for more than five consecutive nights.
- 5.4 *Business entertainment (Hospitality)* - This includes hospitality of any kind, and the expenses incurred in providing entertaining. Any plans to entertain third parties should be raised and agreed with the Governance Manager before the event.
- 5.5 *Taxis* - RBH have an account with a local taxi company and can book taxis on behalf of Board and Committee Members. If a Board or Committee Member does require a taxi for a local journey, they should contact the Governance team in the first instance (01706 273 809). Alternatively a Board or Committee Member can book a taxi directly and then reclaim the cost.

Taxis may be used for meetings where;

- Personal circumstances exist relating to mobility issues or the Board or Committee Member fears for his/her personal safety

- Time factors or location of the meeting mean that public transport is not feasible
- More economical (i.e where 2 or more Board or Committee Members sharing a taxi will be cheaper than claiming separate travel costs)

5.6 *Mileage allowances* - Mileage allowances for cars, bicycles and motorbikes will be paid at the rate set by HMRC. Currently the allowance for cars is as follows;

Mileage allowance per mile	45p
Passenger allowance	5p per mile

5.7 *Dependent care* – RBH seeks to overcome any barriers for carers who may wish to become Board or Committee Members. The cost of carers may be claimed in respect of children under the age of 16 or if the Board or Committee Member is the sole carer for someone over the age of 16.

5.8 Board and Committee Members should claim the actual cost. Indicative rates are £7 per hour for child minding and up to £15 for carers. The Legal and Governance Manager is authorised to fully cover higher actual costs if reasonable. These are not payable if the substitute carer is a member of their household.

5.9 Board and Committee Members should declare their care responsibilities upon appointment.

5.10 Any expenses for approved duties not listed in this procedure will be paid subject to provision of receipts or other reasonably expected evidence of the costs.

5.11 *Discretionary Payments* – in exceptional circumstances, the Chair and the Chief Executive may authorise discretionary payments under circumstances which are not covered by this expenses procedure. The details of any such payments must be reported to the Representative Body at its next meeting and will be included in the annual accounts.

6. Board Chair and NeD Remuneration

6.1 General Principles

In 2017 RBH took the decision to pay the Board Chair. In doing so, it was anticipated that the Chair will undertake their role in a professional manner, acting as an ambassador for RBH at the local and Greater Manchester level. More details on the expectations of the role of the Chair are contained within the Chair Role profile and the Chair Services Agreement.

Remuneration is not intended to fully compensate for the time and commitment shown by the Board Chair – it is not a wage. However, it recognises the significance of the legal and business responsibilities of the Chair of the Board. It endeavours to help the Chair to ensure that RBH business is likely to receive priority where there are competing time/diary commitments.

In December 2019 the Representative Body approved payment to NeDs effective from 1.10.19. This was in recognition of the role of NeDs becoming more complex and demanding and to ensure that RBH would be able to attract an appropriately skilled Board to deliver the Corporate Strategy and support its unique governance model. Being subject to a Services Agreement would also ensure that NeDs can be held to account more effectively; there will be an expectation that attendance and time input, quality and appraisal in terms of level of contribution and performance will be measured.

6.2 Review of level of remuneration

The current level of payment for the Board Chair is £11,000 per annum and for NeDs is £4,000 per annum. The payment for the Board Chair will be reviewed at the commencement of each Chair term of office by the Mutual Governance Commission, and will also include the Deputy Board Chair, if they are not a member of the Mutual Governance Commission. The Commission will consider the performance of the Board Chair taking into account any formal appraisal which may have been undertaken, the overall contribution of the Chair, the overall performance of the Society and will also have due regards to any pay awards received by employees, including the Executive Management Team, during that time. Any pay award recommended will be consistent with the adopted Code of Governance of the Society that is the NHF Code of Governance 2020 and the NHF Code of Conduct 2012.

The Commission will consider if a pay award is appropriate and if so, will make a recommendation to the Representative Body. If the recommendation is to award an increase in excess of the employee award, then a clear rationale will need to be provided.

The final decision on any amendments to the level of pay for the Board Chair will have to be approved by the Representative Body, taking into consideration advice from the Mutual Governance Commission.

The payment for NeDs will be reviewed by the Mutual Governance Commission on an annual basis and any recommendation will be considered by and subject to the approval of the Representative Body.

6.3 Method of Payment

Payments will be an agreed annual fixed sum, paid two weeks in arrears and two weeks in advance, paid around the 15th of each month. It is an all-inclusive allowance and no additional payments will be made, other than for legitimate expenses. PAYE and Class 1 national insurance contributions are applicable and will be deducted at source. In signing the services agreement, the Board Chair and NeDs waive their right to claim for loss of earnings in the carrying out of their duties.

For the avoidance of doubt, Section 90 of the Pensions Act 2008 applies to the Board Chair and NeDs and consequently, the Board Chair and NeD is not defined as a 'worker' for the purposes of the Pension Act 2008. The Board Chair and NeDs therefore have no entitlement to join or be automatically enrolled in any pension scheme that may be offered by the Society from time to time.

6.4 Effects on Benefits

If the Board Chair or NeD is in receipt of benefits, the payment attached to this position cannot be declined, as even if it is not received it is still deemed to be income for the purposes of benefit legislation. The Society does not offer a payment free option and does not gross-up payments to those in receipt of benefits to provide for any shortfall in benefit eligibility. Any candidate in receipt of benefits must therefore make a personal decision in relation to taking up this paid position and should consider seeking independent advice as appropriate.

6.5 Donation of Remuneration

In line with RBH's mutual values and charitable status, the Board Chair or NeD may consider donating all or part of their remuneration to charity. In such cases the total payment is liable for PAYE and NIC but tax relief may be due under particular Gift Aid or Payroll Giving arrangements. Specific advice should be sought.

6.6 Conduct, Attendance and Performance

In the event that the Board Chair or NeD fails to comply with the Board Code of Conduct and Standing Orders, the attendance requirement therein, and/or fails to undertake their duties as outlined in the services agreement the Board Disciplinary Process shall be invoked and conducted by the Chair of the Audit Committee and the Chief Executive with assistance provided by the Secretary. This could ultimately lead to removal of the Chair or NeD from the Board by the Representative Body.

7. Equality and Diversity

7.1 An Equalities Relevance Test has been undertaken and this has indicated that a full Equality Impact Assessment is not required. However, in consideration of this

procedure, the payment of expenses and remuneration to NeDs will ensure that no one is prevented from applying to join the RBH Board due to financial pressures.

8. Monitoring and Review of this procedure

- 8.1 This procedure will be reviewed annually to take account of changes in levels of payment for certain items and to review the level of NeD payment. Any changes must be approved by the Representative Body. A full review of the procedure will be undertaken every three years to coincide with the review of the Board Chair pay and this will include benchmarking of the Chair's remuneration against organisations of a similar size and composition to RBH.

9. Links to Other RBH Policies and Procedures

- 9.1 The mileage rates for car use are linked to Work Related Travel Allowance Procedure.

10. Appendix

Appendix 1 – Chair Services Agreement

Appendix 2 - NeD Services Agreement

Appendix 3 – ESS Expenses Guide