

DRAFT BOARD MEMBER EXPENSES POLICY

25 September 2017

1 Title

1.1 Board Member Expenses Policy

2 Introduction

2.1 The purpose of the Board Member Expenses Policy is to ensure that Members who commit time, skills and expertise to Stockport Homes Group are not out of pocket as a result of their contribution.

3 Strategic Links

3.1 This policy links to:

- Stockport Homes' Articles of Association (Article 9 (3)) and subsidiary companies' Articles of Association (Article 20 of Three Sixty's and Viaduct's Articles)
- Local Authorities Companies Order (1995)
- Board Member Remuneration Scheme

4 Key Features

- i. Board members may claim expenses from a menu of items detailed in Appendix One.
- ii. Board members who claim must ensure that expenses they receive relates to their work as a Board member and that any benefit for private purposes is not significant.
- iii. Stockport Homes is subject to inspection by HMRC and Board members may be asked to justify claims that have been made. If necessary, Board Members must seek specialist advice about their individual circumstances.
- iv. As an alternative to claiming from the menu of items Board members may claim on an as-and-when basis for out-of-pocket expenses using a claim form accompanied by receipts. Note that as-and-when claims may not include mileage or parking for journeys to and from Stockport Homes' offices for Board, committee and subsidiary meetings as these are normal commuting journeys;
- v. A claim form must be used for any claims for Dependant Carers' Allowance – these are not covered by the menu of items.
- vi. Any questions about the Board Expenses Policy should be raised with the Governance Team.

5 Equality Impact Assessment (EIA)

5.1 An EIA screening exercise was carried out on 6 September 2017 with the Diversity Officer and it was agreed that a full (EIA) was not necessary. An EIA screening has been carried out in relation to the Board Expenses Policy. Amendments were proposed to ensure that the needs of any Board members who are disabled are catered for.

6 Ownership, Monitoring & Review

6.1 The policy will be owned by the Governance Team. It will be reviewed on a three-yearly basis to take account of any changes in legislation / regulation.

Appendix 1 – Expenses Scheme

1. BACKGROUND AND AIMS

The amount that can be paid to cover Board Member expenses is governed by the Local Authorities (Company) Order 1995 and by Article 9 of the Company's Articles of Association.^{1 2}

2. APPROVED DUTIES

2.1 Stockport Homes Group (SHG) will pay Board Member expenses in connection with approved duties i.e. any duty a Board Member is required to perform by Stockport Homes Group or by a body/organisation to which the Member has been appointed or nominated by Stockport Homes Group.

2.2 Approval for a specific event to be considered as an "approved duty" can be requested from the Governance Manager.

3. EXPENSE RATES

3.1 Monthly Expenses

A Board member must notify the Governance Team in writing if he or she wishes to take up the some or all of the monthly expenses. Once set up, the expenses will be paid directly into a nominated bank account on a monthly basis.

Expense rates will be reviewed on an annual basis and members will be asked to confirm if they want to receive expenses for the forthcoming financial year.

Monthly expenses include:

- £12 pcm for Office accommodation, supplies or services³
- £18 pcm for Additional household costs⁴
- £20 pcm (net) for travel costs⁵

¹ The Local Authorities (Company) Order 1995 limits the amount a director of a local authority company (i.e. ALMO) can receive to the maximum an elected member of the Council could receive if claiming for an approved duty of the Council.

² Articles of Association, paragraph (9)(4)(c)

³ For example, office services and equipment, and consumables used by the employee in performing his or her duties, where the following conditions are satisfied: if the benefit is provided elsewhere (i.e. away from the company's offices) the employer's sole purpose in providing it must be to enable the employee to perform the duties of his or her employment; and any use of the benefit for private purposes by the employee is not significant. See https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/585099/480_2016_12_16.pdf Section 5.15

⁴ Payments towards additional household costs incurred by employees who work at home. Where an employee works regularly at home, under agreed flexible working arrangements, an employer may now pay up to £18 per month with effect from 6 April 2012 without supporting evidence of the cost. See https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/585099/480_2016_12_16.pdf Section 5.17

⁵ HMRC defines non-executive directors as employees and therefore travel costs to / from meetings are classed as 'ordinary commuting'. This means travel costs are taxable. For guidance see https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/517266/490.pdf

As-and-when claims

As an alternative to claiming from the menu of items Board members may claim on an as-and-when basis for out-of-pocket expenses, using a claim form accompanied by receipts.

Use of Taxis

Where a Board Member's circumstances, including disability, requires use of taxis these will be booked on an account by the Governance Team.

Fines and Penalties

Any parking, road traffic fines or penalties incurred by a Member while carrying out their duties will not be reimbursed by the Stockport Homes Group.

Taxis will be provided to and from meetings and events where fear of crime is a concern or where the venue is inaccessible by public transport. Stockport Homes Group will pay the provider directly for these journeys.

Dependant Carers' Allowance

Payments will be made on the same basis and at the same rates as those applicable under the Stockport MBC Dependant Carers' Allowance⁶. Board Members are required to arrange invoicing direct to the Governance Team to avoid Members being 'out of pocket' when arranging care.

ICT Provision

When needed, Board Members will be provided with a tablet device for SHG approved duties (e.g. accessing meeting papers). Adherence to an acceptable user policy will be required from those Board Members, equivalent to that signed by Stockport Homes' employees.

Transparency and Accountability

Details of payments made to Board Members will be subject to publication, as part of Stockport Homes' accounts, to demonstrate transparency.

4. POLICY REVIEW

The expenses policy will be reviewed on a three-yearly basis, with SHMT and the Board approving any changes. The review will take place before the start of the forthcoming financial year with revisions to the policy coming into force from the 1st April.

⁶ See guidance [Part 7 - Members Allowances Scheme.pdf](#) Section 5