

MEETING	Six Town Housing Board
DATE	11 November 2009
SUBJECT	Review of Board Member Expense Payments
STATUS	FOR PUBLICATION
REPORT FROM	Vicki Haslam Acting Director of Corporate Services
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Purpose

To review the current expense policy, and make any changes required to ensure that Board Members are not of pocket when attending meetings or events in their capacity as Board Members on behalf of Six Town Housing.

Link to Strategic Objectives

The Expenses Policy enables STH as an Organisation to obtain the maximum input from Board Members, by ensuring that they are not financially disadvantaged when attending Board and Committee meetings, training events and seminars. This enables Members to fully take part in the decision making process and also the training sessions whilst ensuring Six Town Housing achieves its Strategic Objectives.

Key Points

- This report is to highlight the options for Board to consider regarding the retention of a Fit for Purpose Board and the recruitment of new Board Members, to ensure the sustainability of the Company.
- To consider any budget implications that may arise from an increase in the expenses policy for Board Members.

Recommendation

Board members are asked to:

Consider the report and approve the recommendations to Board from the Audit & Standards Committee:

- **Board member mileage to be increased and brought in line with Six Town Housing staff to 42.9p up to 999cc & 47.7p per mile over 1000cc.**
- **Proposal that Board Members who claim for ink cartridges and or computer paper to print their own Board & Committee papers.**
- **Proposal that Broadband allowance be removed from the Board Member Expense Claim Policy.**
- **Allowances for meals, carers, and out of pocket expenses to remain at the current rate, with a proposal that they are included in the next review of staff expenses and brought in line with staff payments.**

IMPACT ASSESSMENT

Risk Management		
Impact: Medium	Probability: Medium	Risk Rating: Medium
<p>Board Members are not currently paid, it is essential that the expense policy is reviewed regularly and Board Members are recompensed adequately for their travel and out of pocket expenses for the time and skills they give to the organisation. A failure to review the payments and increase where necessary could result in a failure to attract new Board and Committee Members.</p>		
<p>Financial Implications (including Value for Money / Efficiency Agenda) Any changes made to the expenses policy will have financial implications for the Company. The extent of the impact will depend upon the decision taken. The current budget of £3,600 will need to be reviewed to ensure that this is sufficient to cover the expenses that may be claimed throughout the financial year.</p> <p>In the last financial year expense claims for travel and communication were received from seven Board members and totalled £2,047.23, there were also additional claims from other Board Members who do not have their own transport for Taxi's, car parking, cycle allowance and miscellaneous. A total of £2,795.43 from the budget was claimed for 2008/09. However, the full quota of Board Members were not in place.</p> <p>To date the claims for mileage for the first 6 months of 2009/10 amount to £851.91 from four members against a budget of £3,600.00. The potential financial impact of the proposals is estimated to be an additional £300.00 for mileage costs at the higher rate of 47.7p per mile.</p>		
<p>Impact on Customers A failure to recruit and retain Board Members could have an impact on customers and the business if a fit for purpose Board was not in place</p>		
<p>Service User Consultation Undertaken Audit & Standards Committee reviewed the current expenses paid against those paid by nine other ALMO's.</p>		
<p>Equality and Diversity Implications: By providing carers allowance, the Policy ensures that Board Members who have caring responsibilities can attend Board and Committee meetings along with Training events which they might otherwise be unable to attend. Additional/Background Information: Expenses Policies from Sheffield Homes, Stockport Homes, People 1st Slough, High Peak Community Housing, Bolton At Home, Barnett Homes, Rochdale Boroughwide Housing, Golden Gates Housing and Wigan & Leigh Housing were considered as part of this review. Copies available upon request. Appendix 1: Comparison Chart</p>		

TRACKING/PROCESS

EMT	WORKING GROUP	AUDIT & STANDARDS COMMITTEE
26 October 2009		8 October 2009
BOARD	COUNCIL	OTHER
11 Nov 2009		

1. Introduction:

The current Expense Policy was last reviewed by Board in January 2008, when it was agreed that there would be no changes to the existing policy.

Audit & Standards Committee undertook a further review of the policy on behalf of Board Members on 8 October 2009. This review included consideration of the expenses paid to eight other ALMOs. Details of this can be found at Appendix 1.

One of the ALMO's contacted – Stockport Homes have also introduced a monthly allowance for expenses comprising of four different levels, comprising of:

- Communication allowance (including home insurance) - £31.19
 - Communication allowance (excluding home insurance) - £24.23
 - Travel allowance - £13.38
 - Total monthly allowance - £44.57
- * An additional claim can be made for travel outside the local area.

Board members can choose to be paid by the monthly allowance or remain on the current format of claiming for travel, telephone / computer etc, but they would not be able to alternate between the two. If Board Members selected the fixed allowance they would be asked to notify the Governance officer in writing. Once payments are set up there would be no need to complete a monthly claim form, and would be more convenient for some members. The Members of the Audit and Standards Committee considered this option but decided that it would not be appropriate for Six Town Housing Board Members. There may also be tax implications regarding this option.

The Audit & Standards Committee also discussed the payment for Broadband use. They concluded that most Board Members have Broadband at home and there is no additional expense in using it for emails on behalf of Six Town Housing. The older system of "dial up" which incurred a cost each time it was used has been replaced by a standard charge which is much cheaper than the original dial up costs.

The current expense policy is comprehensive and covers expenses for:

- Transport (bicycle, car and motor cycle)
- Telephone / computer
- Meals
- Carer's allowance
- Out of pocket expenses

Board Members are responsible for notifying the Inland Revenue and appropriate Benefit Agencies of any eligible income they receive for tax and benefit calculations and should seek advice where necessary.

Expenses are only paid for approved duties, such as:

- Board Meetings
- Meetings of Committees established by Board
- Ad hoc meetings arranged by Board
- Training Events
- Conferences
- Any other associated Board business

A request to order ink cartridges for Board Members through Office Depot has been investigated, and they have advised that only stock marked “contract” is supplied at a reduced rate to the company. Ink cartridges do not come under contract items and therefore there is no reduction in cost by ordering these through the company.

2. Conclusion

A choice of standard or a fixed monthly claim would give Board Members the option to select which one suits their needs. An analysis of claims made in the financial year 2008/09 by seven Board members shows a difference of £32.49 in the actual claims and the cost of proposed monthly claims. Some of the claimants would gain, while others would be out of pocket compared to claiming as they do now. If the monthly allowance was adopted it would be up to the individual to choose which of the two options would be better for them.

3. Recommendations:

Consider the report and approve the recommendations to Board from the Audit & Standards Committee:

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