

Board Members' Expenses

1 Introduction

- 1.1 The service provided by Board Members is on a voluntary basis. Any payments to Board Members cannot therefore be for any service.
- 1.2 The Association will meet expenses which Board Members (including voluntary officers), and Co-opted Members incur while carrying out duties on behalf of the Association and which are acceptable within the terms of this policy. The payment of expenses to employees is covered within the Terms and Conditions of Employment.
- 1.3 This policy aims to reaffirm the Board's commitment to the highest level of accountability and probity regarding any expenses paid to Board Members.
- 1.4 This policy also covers the conditions on which the Association will make payments related to loss of earnings, and the circumstances in which allowances are payable.
- 1.5 This policy is closely connected to the Association's Code of Conduct for Committee Members, and Entitlements, Payments and Benefits Policy.

2 Legal Background

- 2.1 Board Members' expenses were covered by Schedule 7 of the Housing (Scotland) Act 2001 ("Schedule 7"). The Housing (Scotland) Act 2010 does not include any equivalent legislation. Since April 2012, there has therefore been no explicit statutory restriction on the payments and benefits which Board Members can receive.
- 2.2 In 2014, the Scottish Federation of Housing Associations (SFHA) published a Model Code of Conduct for Governing Body Members, and the SFHA and Employers in Voluntary Housing (EVH) published a Model Code of Conduct for Staff. These documents were both updated in 2020. Both these documents were approved by the Scottish Housing Regulator (SHR) and have been adopted by the Association. These cover some aspects of Schedule 7.
- 2.3 The SFHA also produced a Model Entitlements, Payments and Benefits Policy in 2016. This was updated in 2021. This was approved by the Scottish Housing Regulator (SHR) and have has adopted by the Association.

3 Scottish Housing Regulator Expectations

- 3.1 The SHR expects that RSLs should have a policy and procedures on controlling payments and benefits. The policy should outline how the legislation and guidance will be applied within the organisation. This policy outlines how the Board Members' Expenses aspect of this will be handled.

4 Conditions for Paying Expenses

- 4.1 Expenses will only be paid:
 - For actual expenses where a receipt is provided;
 - To attend Board meetings or meetings of sub committees of which the person is a member; or
 - When undertaking other official business on behalf of the Association on the authority of the Board. This includes attendance at conferences, training events and seminars.

5 Eligible Expenses

5.1 In any of the above circumstances, expenses will only be paid for the following, and where alternative provision was not included i.e. expenses cannot be claimed for meals, accommodation, transport etc. where these are already included in any attendance fee, or they are provided free of charge.

5.2 Travel

5.2.1 Board Members are expected to use the most cost effective form of transport, unless there are specific reasons why an alternative had to be used, such as for issues of safety, inaccessibility where a member is frail or disabled, or where the times of departure or arrival are not suitable.

5.2.2 The Association will meet any travel expenses incurred by any member of the Board providing it falls within the conditions for paying expenses as set out above.

5.2.3 Under the terms of this policy, this includes:

- Standard class fares on public transport (rail, bus, air or ferry) (the Association also has an account with an agency, who will forward train tickets, etc, in readiness for journeys.)
- taxi fares (the Association has an account with a local taxi firm, who on receipt of the appropriate password will invoice the Association on a monthly basis.)
- Board Members who use their own car to attend meetings can claim an allowance in accordance with current HMRC mileage rates.
- Bridge tolls, car park fees (fines for breaching parking regulations will not be reimbursed)

5.3 Meals

5.3.1 Meal expenses will be payable to Board Members who are prevented by their official duties from taking their meal at home (or where they would normally take their meals), and thereby incur additional expenditure.

5.3.2 This does not include attendance at Board, sub committee or any other meetings at the Associations' offices, or where a suitable meal is provided or has been reimbursed.

5.3.3 This would cover lunch and afternoon tea, and where it involves an overnight stay, evening meal and breakfast. Actual expenses will only be paid, up to the maximum amounts set out on the Table of Expense Rates shown as an Appendix. These rates will be reviewed and updated by the Board annually.

5.4 Child Care

5.4.1 The costs of having a child looked after while carrying out duties as a Board Member can be met by the Association. The person claiming the expenses must provide a receipt for expenses incurred and the person minding the child must not be a member of the Board Member's household. It is acceptable for a Board Member to make a payment to a close relative who is not a member of the household and have this reimbursed, provided that the costs are reasonable.

5.4.2 Child minding expenses will be paid for any child or stepchild of a Board Member, or any child for whom the Board Member is the legal guardian. The child must normally live with them, and be under the age of 16:

5.4.3 Rates payable are as given in the Appendix to this policy.

5.4.4 The Association may ask for documentary evidence of any child's age, or details of their legal guardian before paying expenses.

5.4.5 Childcare costs cannot be claimed where cheaper or free alternatives were available e.g. a crèche was provided.

5.5 *Care of Other Dependent Relatives*

5.5.1 Board Members can also claim expenses incurred through having other dependent relatives cared for while they are carrying out duties as a Board Member, providing that they can provide a receipt for expenses incurred and the person caring for the dependent is not a member of the Board Member's household.

5.5.2 The Association may ask for documentary evidence of the relationship of the dependent to the Board Member and any legal duty of care e.g. payment of a relevant social security benefit, payment from social work etc. before paying expenses.

5.5.3 The same rates will apply as for childcare.

5.6 *Accommodation*

5.6.1 Where accommodation costs are not covered in any other way e.g. within a delegate fee, Board Members will have their actual accommodation expenses paid, up to the limit set out in the Appendix. A receipt must be provided.

6 **Claiming Expenses**

6.1 Claims should be made only for expenses which are allowed under this policy.

6.2 All claims must be made on the official expenses claim form. This must be completed in full and signed and dated by the claimant. The claim must then be authorised by the Chief Executive, the Corporate Services Director or the Secretary of the Association.

6.3 The payment of expenses is normally made by BACS transfer upon submission of the claim form. Receipts must be provided for all expenses claimed.

6.4 Where Board Members are attending conferences, advances against expenses can be paid.

7 **Allowances**

7.1 The Association will pay an allowance to those Board Members who are required to be away from home for more than two hours between 11.00 p.m. and 6.00 am. This payment is in addition to those made for expenses otherwise covered in this policy.

7.2 The allowance will only be paid when the overnight stay has been authorised in advance by the Board. It will be paid at the rate given in the appendix. Receipts will be requested but it is appreciated this may not always be possible or convenient.

8 **Conferences / Seminars / Training Courses**

8.1 Board Members who attend any of the above events, which are related to the Association's business or the promotion and development of the Association, will have the respective fee paid by the Association.

8.2 Either a Sub Committee or the Board of the Association must approve the attendance at the respective event.

9 Loss of Earnings

- 9.1 The Association will reimburse a Board Member for any loss of earnings or annual leave entitlement in the following circumstances which are consistent with the criteria contained in the Association's Entitlement, Payments and Benefits Policy
- The payment is not being made in respect of a routine meeting.
 - The meeting or event could not have reasonably been held at an alternative time.
 - The attendance of the Board Member was required and authorised by the Board.
 - Another Board Member who would not lose earnings could either not attend in their place, or it would not have been appropriate for them to attend in their place e.g. where the Chair should attend.
 - The claimant must submit an official letter from their employer confirming that earnings have been lost or annual leave entitlement used, on which date and the amount of the loss. The Association will provide a format for such a letter.
 - The claimant must provide the Association with their National Insurance number.
- 9.2 The Association will pay the actual loss up to the maximum rates set out in the Appendix to this paper. These are broadly in line with the higher of the real living wage and maximum jury level expenses per day for loss of earnings or annual leave entitlement. Loss of earnings will not be paid to those governing body Members who are self-employed.
- 9.3 The Association will make all loss of earnings payments net of Basic Rate Income Tax, as required by the Inland Revenue. Board Members who have received payments will be issued with an Inland Revenue form P60 at the end of each tax year.

10 Risk Management

- 10.1 The risks associated with Board Expenses are incorporated within the Association's Risk Management Framework.

11 Equality and Diversity Statement

- 11.1 The protected characteristics enshrined in the Equality Act 2010 are respected when ensuring compliance with the Association's obligations in respect of Board Members' Expenses.

12 Policy Monitoring and Review

- 12.1 The Board Members' Expenses Policy will be monitored by the Chief Executive and Corporate Services Director and reviewed every four years or as and when deemed necessary. The Appendix will be updated annually before the end of March.

APPENDIX

Board Member Expense Rates

	From 1 April 2023
Meals & Accommodation: Actual Cost to Maximum of	
Breakfast	£9.40
Lunch	£14.80
Dinner	£22.70
Accommodation per night	£105.80
Overnight allowance	£27.90
Child Minding: Actual Cost to Maximum of	
One child per hour	£8.00
Two or more children per hour	£9.40
Max in 24hour period	£105.80
Other Dependents - as Child Minding	
Loss of Earnings: Actual cost to Maximum of	
Up to 4 hours (per hour)	£10.90
Over 4 hours (per day)	£73.30
Mileage (per mile) per HMRC Rates	45p

These rates should be reviewed and updated annually, with the next review due by 31 March 2024.