



BOARD REMUNERATION AND EXPENSES POLICY

2019

BOARD REMUNERATION AND EXPENSES POLICY

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Policy Links:	List all related policies and strategies

Brief Policy Summary:

This policy is designed to set out the remuneration levels for Board and Committee membership, the process for review and approval, and sets the guidelines for claiming out of pocket expenses.

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1. Introduction

- 1.1 LHP aims to ensure that no Board/Independent Committee Member is financially disadvantaged through duties undertaken as a Board/Independent Committee Member.
- 1.2 This Policy complies with the expectations outlined within the organisations chosen Code of Governance – The NHF Code.
- 1.3 All LHP Board and Committee Members will sign a Board Member Agreement outlining their role and duties, their date of appointment, re-election timeline and attendance expectations.

2. Policy Statement

- 2.1 LHP will pay to Board/Independent Committee Members and recompense them for any expenses reasonably incurred in carrying out the duties of Board/Independent Committee Member or Board Officer. These duties could include;
 - Attendance at Board or Committee meetings
 - Attendance at consultation or other tenant group meetings
 - Attendance at other meetings on Company business
 - Attendance at organised training activity (either in house or external) and conferences.
- 2.2 Expenses should cover no more than the actual costs incurred by the Board/Independent Committee Member and this must be evidenced with VAT receipts to demonstrate probity.
- 2.3 Claims will be authorised by the Chief Executive. Any dispute over payment of claims will be determined by the Chair of the People and Governance Committee.

3. Payments

Payment Levels and this Policy will be reviewed every three years (or sooner if there is a significant change in the organisation e.g. merger or roles are being recruited to).

This Policy, and the payment levels paid to Non-Executive Directors, will be reviewed by independent advisors and payment and expenses levels benchmarked against peer organisations, with recommendations being made based on median levels of pay.

No increases in payment levels will be issued between reviews.

There will be a single rate of remuneration for each category of post, and Non-Executive Directors will be remunerated at the highest level of remuneration for the posts they hold.

People and Governance Committee will be responsible for reviewing any recommendations on Non-Executive Pay and Expenses as well as changes to this Policy, making recommendations through to the Board for approval.

Pay levels are detailed in Appendix 1.

4. Procedure

4.1 Pay

Board/Independent Committee Members will be paid monthly, on the last working day, starting at the beginning of the fiscal year or in the case of a mid-year starter, pro rata from April.

4.2 These will be paid by BACS Transfer to their nominated Bank Account.

4.3 Members are required to provide these details along with National Insurance Numbers and any other relevant HMRC information applicable.

4.4 Expenses

4.5 All expenses must be claimed for on the appropriate form, copies of which are available from the Executive Support Team.

4.6 Claims for expenses should be submitted to the Executive Support Team along with supporting receipts. All claims must be submitted within 3 months of occurring. There is one payment run for expenses each month. Approved forms must be with the Finance department by the 6th working day of the month to be included in this payment run.

4.7 All expenses will be paid direct into a Board/Independent Committee Member's nominated bank account unless a specific request is made for payment by cheque. Board/Independent Committee Members will be sent a remittance advice informing them of the amount to be paid into their account.

5. Expenses by type

5.1 Child Care / Carers

5.1.1 Board/Independent Committee Members will be reimbursed for the actual cost for carers for children, elderly, disabled, partner/relative as a result of undertaking duties.

5.1.2 If a carer is required to accompany a Board/Independent Committee Member in undertaking Board or Committee duties then expenses can be claimed for the carer in addition to the board/Independent Committee member.

5.2 Overnight Stays

- 5.2.1 When a Board/Independent Committee Member is required to stay away from home in the course of their activities for LHP this should normally be booked in advance by the company.
- 5.2.2 Where overnight accommodation is required in order to attend Board or Committee events either at our head office or elsewhere, accommodation will be provided. It may be booked by the Executive Support Team or the individual. If booked by the Board/Independent Committee member, the cost will be reimbursed and should be included within the usual receipted expenses claim.
- 5.2.3 If, however a Board/Independent Committee Member finds that they must book and pay for accommodation in their right they should exercise discretion and whenever available book into standard business hotel accommodation. Outside of London this should normally be capped at £90 per night whilst within London £130 may be appropriate.

5.3 Meals

- 5.3.1 If a Board/Independent Committee Member is required to travel outside of Lincolnshire for an extended period (more than 4 hours) they may require meals.
- 5.3.2 It would be normal whenever possible to pre-book breakfast and evening meals when booking hotel accommodation, however there may be times when this is not possible and the following rates should act as a guideline;
- Breakfast, up to a maximum of £15 per head
 - Lunch, up to a maximum of £20 per head
 - Evening meal, including drinks, up to a maximum of £30 per head

Rates will be reviewed annually as part of the budgeting process.

5.4 Transport

5.4.1 Use of private vehicles

- 5.4.2 Board/Independent Committee Members will be reimbursed for any mileage undertaken in the course of duties undertaken for the Company at the appropriate HMRC Rate. Members must note that mileage expenses are subject to tax and national insurance contributions. LHP have however entered into a Pay Settlement Agreement with HMRC which allows LHP to cover taxation costs on mileage expenses. Details of up to date mileage rates are available from the Director of Resource and are included on the current Board Member Expenses Claim form.
- 5.4.3 Board/Independent Committee Members must ensure that they have adequate insurance to cover them for Company business.
- 5.4.4 Board/Independent Committee Members must ensure that they comply with all legal or other regulations as the company will not be responsible any legal or enforcement actions including speeding or car parking fines incurred whilst undertaking Company business.

5.4.5 LHP will reimburse Board/Independent Committee Members for car parking expenses incurred in the course of business.

5.4.6 Public Transport

5.4.7 Standard class travel is to be used for all business travel which should normally be booked in advance by the company.

5.4.8 Taxis

5.4.9 When travelling away from the meeting location, taxis may be used from the nearest railway station to the place of business. A receipt must be obtained from the driver for reimbursement.

5.4.10 Within Boston and Grimsby taxis should be booked using the LHP preferred company and using the company account.

5.5 Telephones/Broadband/Computers

5.5.1 Board/Independent Committee Members who incur telephone/broadband charges as a result of undertaking duties on behalf of the Company will have these reimbursed. Where necessary, the Company will either provide the Board/Independent Committee Member with a mobile phone or a second land line. These will be used for Company business only.

5.5.2 If the Chair and Vice Chair use their own telephone, LHP will pay 50 per cent of the line rental plus calls undertaken on the Company business.

5.5.3 Should a Board/Independent Committee Member require a computer in order to undertake their duties on behalf of the Company, this will be supplied by LHP's I.T. department who will also be responsible for its installation.

5.5.4 LHP will provide Board/Independent Committee Members with an iPad with Board Pad software loaded in order for them to receive their Board papers electronically.

5.6 Entertainment

5.6.1 Occasionally, as a courtesy to outside organisations with whom we work, Board Members may wish to buy drinks or meals for people from these organisations. This is not a practice which should be widespread in a publicly-funded, charitable body as anything other than occasional entertainment can give rise to concern and suspicion. This applies both to entertainment provided by LHP and to that received.

5.6.2 Where Members wish to buy or provide hospitality for someone outside the Company, they should normally obtain prior approval from the Chair or Chief Executive and may claim for themselves and their guest. Expenses claims should name the person and their organization being entertained.

5.6.3 Board/Independent Committee Members must comply with the Code of Conduct and a subsequent entry should be declared in the hospitality register.

5.7 Incidental Expenses

5.7.1 Incidental expenses incurred in the process of undertaking Company duties should be claimed through your normal expenses claim and should be accompanied by a receipt.

Appendix 1

Board Pay Levels

Non-Executive Director payment levels are recommended through an external review process every three years. The following payment levels were agreed by the Board in September 2019 based on a formal benchmarking and policy review process conducted by Altair in July 2019 based on pay across the 2019/20 pay period.

Payment levels have been set within + or – 5% of median pay levels across a pool of similar (in size, turnover and geography) sector-based organisations:

Pay levels implemented in September 2019 are:

Position	Remuneration
Chair	£15,000
SID	£9,500
Vice Chair	£7,500
Committee Chair	£7,500
Board Member	£5,000
Co-opted Board Member	£5,000
Independent Committee Member	£2,000

EQUALITY IMPACT ASSESSMENT

BOARD REMUNERATION AND EXPENSES POLICY

Provide a brief summary of the aims and main activities of the initiative (bullet points):

- **LHP is committed to the highest standards of quality, probity, openness and accountability. LHP aims to ensure that no Board Member is financially disadvantaged through duties undertaken as a Board Member.**

Completed By:

Zoe Wortley – Deputy Company Secretary

Date:

November 2019

Guidelines: Things to consider

- Where a negative (i.e. adverse) impact is identified, it may be appropriate to make a full EIA (see Stage 2), or, as important, take early action to redress this – e.g. by abandoning or modifying the initiative. NB If the initiative contravenes equality legislation, it must be abandoned or modified.
- Where an initiative has a positive impact on groups/community relations, the EIA should make this explicit, to enable the outcomes to be monitored over its lifespan.
- Where there is a positive impact on particular groups, does this mean there could be an adverse impact on others, and if so can this be justified? - e.g. Are there other existing or planned initiatives which redress this?
- It may not be possible to provide detailed answers to some of these questions at the start of the initiative. The EIA may identify a lack of relevant data, and that data-gathering is a specific action required to inform the initiative as it develops, and also to form part of a continuing evaluation and review process.

- It is envisaged that it will be rare for full impact assessments to be required. Usually, where there are particular problems identified in the screening stage, it is envisaged that changing the approach at this stage, and/or setting up a monitoring/evaluation system to review a policy’s impact over time will tackle the problem.

STAGE 1: SCREENING

This stage establishes whether a proposed initiative will have an impact from an equality perspective on any particular group of people or community – i.e. on the grounds of race, religion/faith/belief, gender (including transgender), sexual orientation, age, disability, or whether it is “equality neutral” (i.e. have no effect either positive or negative).

Q 1. Who will benefit from this initiative? Is there likely to be a positive impact on specific groups/communities (whether or not they are the intended beneficiaries), and if so, how? Or is it clear at this stage that it will be equality ‘neutral’ i.e. will have no particular effect on any group? *Please consider all aspects of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality*

All Board Members will benefit in the same way from this policy

Q 2. Is there likely to be an adverse impact on one or more minority/under-represented or community group as a result of this initiative? If so, who may be affected and why? Or is it clear at this stage that it will be equality ‘neutral’? *Please consider all aspects of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality*

We do not envisage any negative impact within any of our service delivery areas through the implementation of this policy.

We believe that this policy is equality neutral.

Q 3. Is there sufficient data on the target beneficiary groups/communities? Are any of these groups under or over represented? Do they have access to the same resources? What are your sources of data and are there any gaps? *Please consider all aspects of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality*

This policy is specifically aimed at all Board Members regardless of current constituency or current status and does not discriminate between Co-

Optees, Observers or Board Members.

Q 4. Outsourced services – if the initiative is partly or wholly provided by external organisations / agencies, please list any arrangements you plan to ensure that they promote equality and diversity. Please consider all aspects of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality

This is an internal policy informed by external independent advice. The Company is responsible for its implementation.

Q 5. Is the impact of the initiative (whether positive or negative) significant enough to warrant a full impact assessment – see guidance? If not, will there be monitoring and review to assess the level of impact over a period of time? Please consider all aspects of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality

We do not perceive any negative impact that would warrant a full Equality Impact Assessment.

Should any negative impacts be highlighted through implementation then both our Policy and EIA will be reviewed.

Q 6. To be completed at six monthly review Detail actions taken to assess the level of impact over a period of time, or to address any gaps in data. Please consider all aspect of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Beilief, Sexuality