



Payment of Expenses to Board Members Policy

Policy Title:	Payment of Expenses to Board Members Policy
Policy Author:	Jacqui Mills
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Equality Impact Assessment Complete:	Yes
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Scottish Social Housing Charter Standard	N/A
Scottish Housing Regulator Standard:	5 (+ Constitutional Requirements)
Scottish Housing Regulator Guidance:	5.4

Vision

By providing aspirational homes and high-quality services we will transform communities to enhance the quality of life of our customers.

Values

- Customer and Community Focussed
- Treating our customers with respect
- Accountable
- Making a difference
- Innovative
- Equal access to services and opportunities for all

Strategic Objectives

Deliver first class customer services

Provide quality homes, communities and sustainable tenancies

Achieve robust financial management and governance excellence

Empower, develop and engage our staff

Build strong collaborative relationships locally and nationally

Ardenglen Housing Association can provide this procedure on request, in large print, in Braille, on tape or in other non-written format, and in a variety of languages.

1. **Introduction**

- 1.1 Board Members serve on the Board of Management at Ardenglen Housing Association as volunteers and do not receive a financial payment for their role. However, it is recognised that during the course of carrying out business on behalf of Ardenglen Housing, certain expenses will be incurred, which it is appropriate to be recompensed for.
- 1.2 In limited circumstances, which are outlined below Board members are reimbursed for any incidental out of pocket expenses and travel reimbursement. These do not need to be declared on the Register of Interests, providing claims are made in accordance with this policy and authorised by the Chief Executive (or Director of Finance, Digital and Corporate Services in their absence).
- 1.3 The policy also sets out the eligible out of pocket expenses that will be provided and the level of payments to be applied.
- 1.4 As a Registered Scottish Charity, this Policy also takes account of the requirements of the Charities and Trustee Investment (Scotland) Act 2005 with regard to payments or benefits to Charity Trustees.

2. **Purpose**

- 2.1 The Board Member Expenses Policy provides guidance to the members of the Ardenglen Board of Management, on the reimbursement of any expenses which have been incurred whilst undertaking the duties contained within their role.
- 2.2 The policy gives both the Board of Management members themselves together with the staff responsible for administering the policy and making payments to the Board a clear and unambiguous approach for the limited occasions on when expense will be provided.
- 2.3 The policy is also designed to provide tenants, residents and all other stakeholders of the Association with a clear, open and transparent process which sets out the occasions when the Board will receive recompense for their role.

3. **Aims and Objectives of Policy**

- 3.1 The Board Member expenses policy is produced to:
 - Ensure compliance with the Regulatory Standards of Governance and Financial Management with particular attention to Standard 3 – “The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay” and Standard 5 – “The RSL conducts its affairs with honesty and integrity.”
 - Ensure that the Board expenses policy is consistent with other current Ardenglen Policies including our Entitlements, Payment and Benefits policy, Code of Conduct for Governing Body Members and Financial Procedures

- Provide appropriate expenses in line with the monetary guides outlined within EVH Salaries and Allowances of which we are full members.
- Ensure that Board members are not financially worse-off through their participation with Ardenglen Housing.

4. Legal and Regulatory Framework

- 4.1 The provision of expenses to Board members is based upon the principle that no voluntary member should see their financial circumstances worsened through participation with the Board.
- 4.2 In terms of the legal and regulatory framework the key principles are that the organisation ensures that there is a clear and transparent process for the provision of expenses which is compliant with the Regulatory Standard of Governance and Financial Management.
- 4.3 As a Registered Charity regulated by the Office of the Scottish Charity Regulator (OSCR) we are required to ensure compliance with the Charities and Trustee Investment (Scotland) Act 2005. Out of pocket expenses paid to charity trustees, for instance, travel expenses to attend meetings, are not considered remuneration, although receipts for expenses are still required.

5. Travel Expenses

- 5.1 The Association will meet any travel expenses incurred by any member of the governing body whilst undertaking activities on behalf of the Association. Members are expected to use the most cost- effective form of transport, unless there are specific reasons why an alternative form of transport had to be used.
- 5.2 Board Members will be reimbursed for travel costs relating to attendance at the following:
- Board of Management meetings including sub-committee meetings, working groups and any other delegated groups of the Board
 - Training events
 - Tenant and Resident’s meetings
 - Seminars and conferences
 - Where the Board Member is representing Ardenglen on any approved official business.
- 5.3 Under the terms of this policy, travel expenses are detailed and are payable in line with the guidance below.

Expense	Conditions
Standard fares on Public Transport	Expenses will be paid on submission of an expense form and when accompanied with a valid receipt. The Association will only cover the costs of standard class rail travel and economy class air fares.

Taxi	<p>Wherever possible for local travel the committee member should use the Ardenglen Taxi Account and provide a copy of the receipt to our finance department.</p> <p>Where this has not been possible expenses will be paid on submission of an expense form and when accompanied with a valid receipt. They can only be claimed in line with the guidance above, where it indicates that this is the most cost-effective form of transport.</p> <p>Examples of where this may apply are, accessibility issues or the start/end time of an event being such that a taxi fare reduces the need for overnight accommodation.</p>												
Car Parking fees	<p>Expenses will be paid on submission of an expense form and when accompanied with a valid receipt. Any fines or fixed penalty notices will not be covered by the Association.</p>												
Use of own transport	<p>Mileage can be claimed through the appropriate expenses form based on the following EVH rates as at 2021/2022.</p> <p>Travelling by Own Vehicle</p> <table data-bbox="850 1406 1385 1608"> <tr> <td>Essential User Lump Sum</td> <td>£1,414</td> </tr> <tr> <td>Mileage - first 10,000 miles</td> <td>45p</td> </tr> <tr> <td>Per mile thereafter</td> <td>25p</td> </tr> <tr> <td>Passenger - per mile</td> <td>5p</td> </tr> <tr> <td>Motorcycles - per mile</td> <td>24p</td> </tr> <tr> <td>Bicycles - per mile</td> <td>20p</td> </tr> </table>	Essential User Lump Sum	£1,414	Mileage - first 10,000 miles	45p	Per mile thereafter	25p	Passenger - per mile	5p	Motorcycles - per mile	24p	Bicycles - per mile	20p
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6. Attendance at Events Expenses

- 6.1 If Board Members are required to attend events away from Ardenglen's offices and no meals are provided, then expenses for meals and light refreshments will be reimbursed. Reasonable expenses would cover breakfast, lunch or two course evening meal with soft drinks, tea or coffee.
- 6.2 Board members are expected to ensure that expense is kept to a reasonable level. Rates for subsistence allowance will be based on EVH Salaries and Allowances that are issued annually.

- 6.3 Where accommodation costs are not covered in any other way, for example within a delegate fee, Board Members will have their actual accommodation expenses paid, up to a reasonable limit, for bed and breakfast by Ardenglen.
- 6.4 This overnight accommodation will be booked by the Corporate and Compliance Officer (or in their absence the Finance Assistant) on behalf of the Board Member(s) taking into account the requirements to ensure value for money on behalf of the Association. The staff member will also arrange for the invoice to be sent directly to Ardenglen to avoid the Board Member having to pay the bill on departure.
- 6.5 Where this is not possible, the Board Member will agree the accommodation and costs with the Corporate and Compliance Officer (or in their absence the Finance Assistant) in advance and pay the cost directly but ensuring a receipt. This will then be claimed back from Ardenglen using the claim form accompanied by the receipt.
- 6.6 Where evening entertainment is provided at an event / conference it is recognised by Ardenglen that this provides Board Members with an effective opportunity to network with other sector colleagues within an informal setting. As such Board Members will receive an appropriate level of expenses for attendance at evening events which will regularly be benchmarked with other comparable RSLs to ensure that this remains appropriate and in line with sector norms
- 6.7 Where a member of the Board is on official duty for Ardenglen which requires an authorised overnight stay, reasonable expenses will be met on production of appropriate receipts.
- 6.8 Board members will receive an appropriate level of expenses for attendance at any evening event / conference. Ardenglen will provide an allowance of £25 per evening to ensure that the Board member is not 'out of pocket' when representing the Association.
- 6.9 Where a Board member is either the primary receiver or giver of care then arrangements may be made for the individual either in receipt of care or providing care to attend the event. In most cases there is a reduced rate for these circumstances which entitles them to accommodation and meals.

7. Hospitality Expenses

- 7.1 It is recognised that occasionally Board Members may be invited to attend some forms of hospitality. Any hospitality must be approved by the Corporate & Compliance Officer, Director of Finance, Digital and Corporate Services or the Chief Executive Officer prior to attendance to ensure it is compatible with Ardenglen's objectives, doesn't represent any conflict of interest and complies with our Entitlements, Payments and Benefits policy.

- 7.2 Once agreed, acceptance of hospitality is permitted for Board Members up to a value of £60 and must be recorded in the Entitlements, Payments and Benefits register, along with an estimation of the value of hospitality received, within five days of attendance.

8. Childcare or Caring Responsibilities

- 8.1 To fulfil the duties expected of Board Members and to ensure a representative balance of diversity, skills and experience on the Board, Ardenglen will meet reasonable expenses for child minding or carers' costs.
- 8.2 Payment of child care and carers' costs will normally be made when Board Members are attending Board meetings, training events, seminars and conferences or whilst acting on Ardenglen business.
- 8.3 Claims for care costs must be supported by a receipt for the costs incurred. Expenses will not be paid when another member of the household is caring for the dependant(s). Carers' actual costs will be paid provided these are reasonable and a receipt is provided, and payment will be capped at the current national living wage per hour or equivalent cost.
- 8.4 Payment of child minding or carers' expenses will not normally exceed 10 hours in a month.

9. Support and Assistance for Disabled Board Members

- 9.1 To ensure a representative balance of diversity, skills and experience on the Board, Ardenglen will meet reasonable expenses that assist or support a disabled Board member in their role by purchasing additional equipment required to enable disabled Board members to fulfil their role (i.e IT equipment, software, supportive seating).
- 9.2 Any Board Member with a disability that requires additional equipment to assist them in fulfilling their role should contact the Corporate and Compliance Officer in the first instance to discuss their needs and how they can be best supported. The Association will consider any support request made and make decisions for each individual case presented.
- 9.3 The Association will purchase equipment or software on behalf of Board Member when the support need has been identified, requested and approved by CEO or Director of Finance, Digital & Corporate. There will be no direct payments made to members for support needs unless it is a requirement that cannot be purchased or provided by the Association. This must be reviewed and approved by the CEO in advance and on a case by case basis.

10. Internet costs (Working from Home)

- 10.1** Ardenglen recognise that there are occasions when members are unable to meet face to face for meetings and training sessions and that sessions can often take place on a digital platform. Reimbursement of expenses associated with working from home such as additional costs incurred because of Ardenglen related internet usage, are permitted. Members may claim a flat rate contribution towards broadband costs of £5 per month, in each month where there has been at least one virtual meeting. Board members would claim this quarterly using the expenses claim form (Appendix 2) and providing dates of the virtual meetings/ training attended.
- 10.2** Board Members wishing to be reimbursed for internet usage in relation to Board Meetings and training sessions should contact the Corporate and Compliance Officer.

11. Implementation of the Policy

- 11.1** All claims must be submitted using the relevant claim form. Copies of the form are made available at induction or can be requested from Finance, Digital & Corporate Services. Receipts must be provided, as detailed in this policy.
- 11.2** Claims must be signed and submitted no later than 3 months from when the expense was incurred, to the Director of Finance, Digital and Corporate Services, who will arrange reimbursement.

12. Monitoring of the Policy

- 12.1** All payments made to Board Members will be monitored by the Corporate & Compliance Officer on a quarterly basis. A report will be provided to the Chief Executive on the expenses claimed during the period for review.
- 12.2** The Chief Executive will monitor cumulative expense claims and ensure these remain in line with budget, there are no unreasonable, unauthorised or potentially dubious expenses being claimed and that they do not impact financially on the operations of Ardenglen HA.
- 12.3** Budget provision and summary of all payments made to Board Members will be presented to the Board of Management annually and will also be included within the Annual Accounts, which are published on the Association's website and presented to Shareholders annually.
- 12.4** Any matter which demonstrates a serious failure of internal controls should also be reported immediately to the Chief Executive.
- 12.5** On an annual basis the Board of Management expenses will be published on the association's website in line with the Freedom of Information Scotland Act requirements.

13. Complaints and Appeals about the Policy

- 13.1 Ardenglen HA's Board of Management have the right to appeal any decisions made on matters covered by this Policy according to Ardenglen's Grievance Policy and Procedures/Standing orders/Rules etc.

14. Review

- 14.1 This policy will be reviewed every 3 years, with the next review being due in 2024. An interim review may take place in the event of changes to good practice, or regulatory requirements. Payment rates are subject to review and are included at Appendix 1 which will be updated on an annual basis.

15. Appendices

- 15.1 Appendix 1 provides the current rates provided in terms of mileage and subsistence which will be updated by EVH annually.

APPENDIX 1(based on EVH salary and payment award 2021-22 and updated annually)

Travelling by Own Vehicle

- First 10,000 miles 45p
- Per mile thereafter 25p
- Passenger per mile 5p
- Motorcycles per mile 24p
- Bicycles per mile 20p

These rates are reviewed in line with HMRC.

Any expenses claim must detail the number of miles travelled, the destination and the purpose of the journey.

Overnight Subsistence

Where an a member of the Board is on official duty for Ardenglen Housing which requires an authorised overnight stay, reasonable expenses will be met on production of appropriate receipts.

Board members will receive an appropriate level of expenses for attendance at any evening event / conference. Ardenglen Housing will pay up to a maximum of £25 per evening and receipts should be obtained and expense claims made in the usual manner.

Subsistence Allowances

When applicable the allowances are:

- On duty 10 hours plus £ 17.26
- 5 – 10 hours out with area £ 10.56

Only in exceptional circumstances may these allowances be exceeded.

Child Care / Carers Allowance

It is acknowledged that from time to time Board Members with care responsibilities for dependents or those with particular needs may have to make arrangements to have them looked after to attend to the Association's business. When these situations occur Ardenglen Housing will pay the national living wage towards the overall cost of care subject to the following conditions:

- The children are aged sixteen and under or Ardenglen Housing has been advised of the individual requiring care and their particular needs.
- The person looking after the children or individual requiring care is not a member of the household, for example spouse, older children or close relative, live in partner etc.
- Receipts must be provided with any expenses claim being made stating the name and address of the person looking after the children or individual requiring care including dates and duration of the childminding activities undertaken.

- The maximum time period to which expenses can be claimed will be 10 hours in any one day. For staff or Board Members attending conferences lasting more than one day, each individual claim will be considered sympathetically.

Supporting Disabled Board Members

Ardenglen want to provide assistance for any Board Members current or in future with additional support needs by providing equipment or software that will enable them to fulfil their role on the Board.

- We recognise that support needs and equipment costs may vary depending on the need. Ardenglen will source suitable equipment that meets value for money but also fits the requirements of the individual Board Member.
- Board Members are encouraged to get in contact with the Association if they have additional needs that we can support them with through provision of equipment. You must provide evidence that the equipment does support you in your role.

Internet Costs

Members may claim a flat rate contribution towards broadband costs of £5 per month, in each month where there has been at least one virtual meeting. Board members would claim this quarterly using an expenses claim form and detailing virtual meeting dates or training attended.