



Board Member expenses scheme

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Version 2.3
Nov 2019

Glossary

Articles of Association	A document that specifies how the Board of Colchester Borough Homes must operate
BACS	A scheme for the electronic processing of financial transactions
Company	Colchester Borough Homes
The Council	Colchester Borough Council
Department for Communities & Local Government	The central government department responsible for (among other things): building regulations, housing, local government and planning
Elected member	Borough or County Councillor
Appointments & Remuneration Committee	A group of Board members that meets at least once every three months to look at performance and policies in the areas of human resources and corporate governance
Information Commissioner's Office	The UK's independent authority set up to promote openness by public bodies and data privacy for individuals
In lieu of	'Instead of' or 'in place of'
National Fraud Initiative	An exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud
Petty cash	A small amount of readily available money used for paying low-value expenditures
Section 19 of the Articles of Association	Specifies that Board members may be removed from office after an investigation into their conduct with the agreement of two thirds of the Board members
Section 25 of the Articles of Association	Specifies the power of the Board to agree an expenses scheme for Board members

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1. Introduction & purpose

- 1.1 This guidance sets out information on the scheme for Board Members' expenses for Colchester Borough Homes.
- 1.2 Subsequent changes will be considered by the Appointments & Remuneration Committee, which will make recommendations to the Board.
- 1.3 The Board has the power to determine the range and the level of expenses for which Board Members may be reimbursed, in accordance with Article 25 of the Articles of Association. This article places three restrictions on the Board's power: (a) guidance from the Department of Communities & Local Government or other government department, (b) not to exceed any maximum sum set by the Council, and (c) not to pay Councillor Board Members more for Company business than they would be paid for Council business.
- 1.4 The following meetings qualify for travel, subsistence, childcare and/or support worker expenses:
 - All Board Meetings
 - Meetings of Board Committees, panels or working groups
 - Board Member training, where approved in advance by the Governance Officer or the Chair of the Board
 - Conferences and other one-off meetings, where approved in advance by the Governance Officer or the Chair of the Board
- 1.5 The Governance Officer or the Chair of the Board can authorise the reimbursement of travel & subsistence costs incurred by any Board Member in connection with events that are **not** classified above. Any such decision must be made in advance of the date of the event and the Governance Officer or Chair of the Board must be satisfied that attendance is in connection with their duties as a Board Member.

2. Travel expenses

- 2.1 Board Members are entitled to claim travel expenses in respect of the duties set out above and where expenditure is necessarily incurred.
- 2.2 Board Members are encouraged to use public transport wherever possible. Wherever possible train tickets should be booked in advance, this may be done through the Governance Officer or by Members themselves who may then claim their ticket price back. Transport must be by standard class fare.

- 2.3 Board Members should note that some vehicle insurance companies might consider journeys related to official duties as being for 'business purposes'. It is strongly recommended that you seek guidance from your motor vehicle insurer as to whether such use needs to be formally registered.
- 2.4 The Company will not reimburse the costs of any parking or speeding fines incurred while on Company business.
- 2.5 Taxis may be used where no public transport is reasonably available, or where a Board Member cannot use public transport due to mobility issues. For journeys within the Borough of Colchester, taxis can be booked through the Customer Services Team (01206 282514) or the Governance Officer. If not booked through CBH , Board Members will be reimbursed the cost of their fare.
- 2.6 The allowances payable for all eligible journeys are as follows:

Board Member's own private vehicle

Mileage is paid at 45p per mile.

Motorcycle

Mileage is paid at 24p per mile

Bicycle

Mileage is paid at 20p per mile.

Mileage is reimbursed at the same rates as the Council's Members' Allowances Scheme, and will be changed when this scheme is updated.

Taxi

- 2.7 Travel claims should be made via Claim Form. Claims for travel between home and a place of work are subject to National Insurance and tax. Claims for journeys between places of work are exempt from National Insurance and tax. The preferred method for payment is a BACS transfer, but payment can be requested by petty cash.
- 2.8 Members should provide a ticket, receipt or other proof of booking to accompany any claim for travel by public transport or taxi. This may be in the form of an email confirmation of booking.

3. Subsistence expenses

- 3.1 Subsistence expenses are payable where directly related to duties for which travel expenses are payable and where actual expenditure is necessarily incurred.
- 3.2 Claimants can claim a maximum of £5.00 for breakfast, £7.00 for lunch, £3.00 for tea/coffee and £10.00 for evening meal whilst attending training or a meeting where food is not provided. Consideration will be given to board members who have no alternative but to pay more than the above limits where a receipt is readily available.

Subsistence is reimbursed at the same rates as the Council's Members' Allowances Scheme, and will be changed when this scheme is updated.

- 3.3 Subsistence claims should be made on a Claim Form, and are not subject to National Insurance and tax. The preferred method for payment is a BACS transfer, but payment can be requested by petty cash.

4. Childcare / support worker expenses

- 4.1 The scheme makes provision for the payment of Carer's expenses for childcare and/or support worker costs necessarily incurred.
- the allowance is only payable where it enables a Board Member to undertake a duty directly related to their role
 - the allowance is only payable where a Board Member actually incurs costs related to the care of their children under the age of 16 or other direct dependants requiring the continuous presence of a carer or if a support worker is needed in order to enable a Board Member to attend a meeting
 - the child's carer must **not** be a close relative (i.e. any partner, parent, brother, sister, son, daughter, aunt, uncle or cousin), and must be a registered childminder
- The period for which a claim can be made may include travelling time to and from the Board Member's home
- the allowance is intended to cover the costs involved up to a maximum of: • £7.00 per hour for the first child; • £5.25 per hour for a second child; • £3.50 per hour for a third child; and • £1.75 per hour for a fourth child.
 - If a Board Member is required to pay a reasonable booking and/or registration fee to a registered child care agency then the Board Member may claim for the amount incurred

- Any payment made under the scheme will be made on the basis of actual expenditure incurred up to the maximum amount referred to at 3.1 and 3.2 above.
 - Payment of the allowance will be in arrears on completion of a signed claim form.
- 4.2 Payments will only be made where actual cost is incurred and must be supported by a receipt, where available, and a signed claim form.
- 4.3 Board Members are advised that all payments made will be subject to the deduction of National Insurance and tax.
- 4.4 Board Members are advised to declare any carer's expenditure to designated authorities on any claims for statutory benefits.
- 4.5 Carer's expenditure claims should be made via Claim Form and are subject to National Insurance and tax. Claims should be submitted to the Governance Officer by the second of the month. Payment will then be made through payroll into your bank account.
- 4.6 *Childcare/ Support Worker expenses are reimbursed at the same rates as the Council's Members' Allowances Scheme, and will be changed when this scheme is updated.*

5. Payment in lieu of wages

- 5.1 There are occasions when important meetings take place during the working day (e.g. annual Board Away Day), and Board Members who are in employment may need to take time off work to attend. Should this be the case, Board Members are entitled to claim for the actual amount of earnings lost for the day or part day. However, payment will only be made where the Board Member has the prior agreement of the Governance Officer or the Chair of the Board.
- 5.2 Claims for payment in lieu of wages should be made via Claim Form 3 (see appendix), and are subject to National Insurance and tax. Claims should be submitted to the Governance Officer by the second of the month. The preferred method for payment is a BACS transfer.
- 5.3 Appropriate evidence (e.g. a wage slip or a letter from employer) will be sought when claims are received.

6. Professional subscriptions and fees

- 6.1 Where membership of a professional institute is considered by the Chair of the Board (or, in the case of the Chair, the Chief Executive) to be of benefit to the Company, fees will be paid in full by CBH. This is limited to one institute per Board Member.

7. IT equipment

- 7.1 All Board Members are entitled to the provision of a laptop or tablet and broadband internet in order to assist them in carrying out their duties as Company directors.
- 7.2 Board Members who are Borough councillors have a laptop and broadband access provided by the Council. Other Board Members may choose to use their own IT equipment and broadband connection or may request a laptop or tablet from the Governance Officer, who will organise for broadband access to be given.

- 7.3 Board Members in receipt of a Company laptop will be asked to sign a declaration stating that they have received this equipment and will return it to Colchester Borough Homes in full working order when they leave the Board.

8. Telephone bills, postage, paper and other sundry items

- 8.1 The expenditure is only payable where a Board Member actually incurs costs related to their duties as a Board Member. Actual money spent on postage, telephone calls, paper and other sundry items may be claimed where a receipt / itemised bill is available.
- 8.2 These claims should be made via Claim Form 1 (see appendix), and are not subject to National Insurance and tax. The preferred method for payment is a BACS transfer, but payment can be requested by petty cash.

9. Duplicate claims

- 9.1 Council-appointed Board Members may not claim allowances from the Council and the Company in respect of the same duty. Failure to adhere to this guideline will be considered a serious breach of the obligations of a Board Member and will result in disciplinary action under Section 18 of the Articles of Association.

10. Register

- 10.1 The Company is required to keep a record of the payments made in accordance with this scheme. The Governance Officer will keep this register, which will specify the name of the recipient and the amount and nature of all such payments.
- 10.2 The total spend on Board Members' expenses for the year will be published on the Company website within the annual accounts.

11. Payments procedure

- 11.1 Travel, subsistence and other sundry allowances must be claimed on the standard Claim Form 1 available from the Governance Officer. **All claims for travel, subsistence and other sundry items allowances under this scheme should be made within three months of the date of the duty or event.**

- 11.2 The primary responsibility to ensure the accuracy and integrity of claims for allowances rests with the individual Board Member. Officers are available to give advice and guidance on claims but Board Members must not rely on officers to identify claims made for ineligible duties or events.
- 11.3 It is important that the Board Member personally specifies the amount of his/her claim, and signs accordingly. Officers are pleased to offer assistance in the completion of claim forms, but this does not extend to exercising discretion as to the amount due. Therefore, please do not leave blank any sections on the claim forms.

12. Relationship between Board Member allowances and benefits

- 12.1 Board members who are incapable of work, unemployed or retired may find that being paid expenses will affect their entitlement to welfare benefits, Council Tax Support and Housing Benefit.
- 12.2 In addition, where Board Members or their partners are claiming benefits or Tax Credits, eligibility may be affected by either partner holding the office of elected Member. Accordingly, there is a need for **both** partners to advise the appropriate authority at the time a claim is made of the amounts payable under the expenses scheme.
- 12.3 The rules on statutory entitlements are complicated. For this reason, it is important that all expenses payable by the Company be declared to the designated authority.

If you have any doubts, please seek the specialist guidance of the agency paying the benefit or the Inland Revenue for Working or Child Tax Credits.

It is the Board Member's personal responsibility to make all declarations even where benefits administered by Colchester Borough Council are concerned. It is important if you are claiming more than one benefit or allowance to notify all the offices you have dealings with. It is not safe to assume that because you have informed one benefit office that they will inform any of the others.

- 12.4 Board Members should also be aware that under the Social Security legislation, the Company is required to furnish details of such payments to the appropriate body if so requested.
- 12.5 When making declarations, Board Members are advised to identify all expenses actually and necessarily incurred in order to maximise benefit entitlement. This may include telephone costs, stationery, childcare and carer's costs, etc.

- 12.6 Under the National Fraud Initiative, the Company may be required to supply personal information as part of the periodical data matching exercise. Such information may be provided to bodies such as the Department for Work and Pensions, the Inland Revenue, the Benefits Agency, the Council's Benefits Section and the Audit Commission.

13. References

Best practice from other ALMOs.

14. Related documents

The Council's Members' Allowances Scheme

[Board Member Code of Conduct](#)

[Code of Governance](#)

[Memorandum & Articles of Association](#)

[Governance & Remuneration Committee Terms of Reference](#)

[Scheme of Delegation](#).

Document control sheet

Title	CBH Board member expenses scheme - November 2019					
File location	https://colchbh.sharepoint.com/sites/fnc/corpdoc/PolDevLib/CBH Board Member expenses scheme Policy Nov 2019.docx					
Consultation						
Approved	Board 09/12/2019					
Next review	01/11/2021					
Circulation method	SharePoint					
Equality Impact Assessment	Required	Yes	Latest	[Latest EqIA (Full)]	Review due	[EqIA Review Due (Full)]

Document amendment history

Version	Type	Date	Notes
1.0	New	2009	New policy
2.0	Major review	June 2013	Policy reviewed and updated
2.1	Minor review	April 2015	Added provision for professional subscriptions for Board members.
2.2	Minor review	June 2016	Increased limit for childcare claim to meet requirements of UK Living Wage (£7.20 per hour) and amendment of guidance on claims for travel costs and subsistence expenses. Additional minor amendments.
2.3	Minor Review	Nov 2019	Policy reviewed and updated as per the CBC Members Scheme rates and title of Business Assurance Officer changed to Governance Officer