

BOARD MEMBERS' FACILITIES REVIEW

Report of the Director & Company Secretary

1. SUMMARY

This report reviews the current arrangements for Board Members' facilities and any payments to them.

2. RECOMMENDATION

To decide whether the Board should commence an independent review of its current policies with regard to support for Board Members, or just update where necessary the current policy.

3. MATTER FOR CONSIDERATION

- 3.1 Board Members are entitled under the current constitution of Derby Homes to receive support in carrying out their duties. The current policy is attached at Appendix 1. This in turn relates to the Memorandum & Articles of Derby Homes:

Board Members and Committee Members may be paid all travelling, hotel, and other expenses reasonably and properly incurred by them in connection with their attendance at meetings of the Board or committees of the Board or general meetings or otherwise in connection with the discharge of their duties and in the case of Board Members such other sums as may be determined by the City Council PROVIDED THAT:

- (1) the Board shall take relevant independent advice prior to authorising payments to Board Members or Committee Members, for example (without limitation) through a remuneration committee, an independent adviser or by using published guidance and industry norms;
- (2) no sum shall be paid to a Board Member or Committee Member who is an elected member of the City Council in excess of that permitted by the Local Authorities (Companies) Order 1995; and
- (3) in making any payment under this Article 26 the Organisation shall have regard to any guidance issued by the Department for Communities and Local Government.

- 3.2 It should be noted that any recommendations for change to payments will therefore require Council approval. The last review was over three years ago (July 2011) and a new review is therefore now overdue.

- 3.3 For expenses, the key phrase is 'all'...'reasonably and properly incurred by them... in connection with the discharge of their duties'. This is a matter of interpretation and the policy set out at Appendix 1 is the current interpretation applied, alongside the protocol on the use of facilities, services and equipment by Board Members, attached at Appendix 2.
- 3.4 As will be seen by reviewing Appendix 1, there are a number of issues that are now outdated as a result of governance and other changes since the last review:
- City Board will need to be replaced by Operational Board
 - The policy will need to be independently reviewed but will need to report to the Remuneration Committee rather than to the RRR committee which is now defunct.
- 3.5 In addition to the current policy, a number of Board members have claimed expenses relating to IT equipment, mobile phones, and broadband connection where no previous one existed. The extent to which these expenses should be covered in future could be a matter for any independent review, or if the Board decided not to hold a review, would be a matter for the Board to agree following a recommendation of the Remuneration Committee.
- 3.6 The Board can either launch an independent review as proposed in its current policy or determine that such a review is not required. If the latter course is determined, then an updated policy could be taken to the Board to reflect the Committee's views of what needs to change or be clarified.

4. CONSULTATION IMPLICATIONS

Consultation with the Council about their view of Board payments during or in advance of any review would help to increase the likelihood of Council support for any proposal.

5. FINANCIAL AND BUSINESS PLAN IMPLICATIONS

These would be limited to any additional costs as a result of the review's recommendations if implemented.

6. LEGAL AND CONFIDENTIALITY IMPLICATIONS

The Board will require Council authority to change any payment arrangements to Board Members.

7. COUNCIL IMPLICATIONS

To the extent that any recommendations cover payments to Board Members, this is a matter which requires the approval of the Council. Approval will be sought at the next available meeting of the Council Cabinet after any recommendation of the Board to update payments to Board Members.

8. EQUALITIES IMPACT ASSESSMENT

- Does this report affect the delivery of a service Yes / No
- Has an Equality Impact Assessment been completed Yes / No (please attach as appendix)
- If no Equality Impact Assessment has been completed please provide a summary of the equalities implications

The areas listed below have no implications directly arising from this report:

Personnel
Environmental
Health & Safety
Risk
Policy Review

If Board Members or others would like to discuss this report ahead of the meeting please contact:

David Enticott / Director & Company Secretary / 01332 888523 / Email david.enticott@derbyhomes.org

Background Information: None

Supporting Information: Reports to Derby Homes Board 29 April 2004, 26 January 2006