

NEW GORBALS HOUSING ASSOCIATION LTD. POLICY ON COMMITTEE MEMBER EXPENSES & LOSS OF EARNINGS

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1. INTRODUCTION

This document sets out New Gorbals' policy and procedures for:

- paying expenses to committee members
- re-imbursing committee members for loss of earnings, in the exceptional circumstances described below.

The policy applies to members of the Management Committee and its sub-committees.

2. NGHHA GOVERNANCE AND REGULATORY REQUIREMENTS

The Association's Code of Conduct and Payments and Benefits Policy restrict payments and benefits that New Gorbals HA can grant to its committee members.

The Scottish Housing Regulator's Regulatory Framework of April 2019 require the governing bodies of Registered Social Landlords to act with honesty and integrity. A clear and accountable approach to paying committee members' expenses forms part of this.

Both the Association's Code of Conduct and Payments and Benefits Policy permit committee members to be reimbursed for legitimate out of pocket expenses, which they have incurred in carrying out approved business on behalf of the Association. In particular circumstances, it is also possible for committee members to be reimbursed for lost earnings.

3. POLICY STATEMENT

New Gorbals has adopted this policy to ensure that:

- Committee members receive proper reimbursement for out of pocket expenses;
- Nobody is excluded from playing a full part as a committee member because of their income or responsibility for caring for dependents;

- The Association operates in accordance with regulatory guidance, and good practice.

4. PRE-CONDITIONS FOR PAYING EXPENSES

Expenses will be paid only if they have been incurred as a result of:

- Attendance at Management Committee meetings or meetings of sub-committee of which the person is a member.
- Undertaking other official business on behalf of the Association on the authority of the Management Committee. This includes attendance at conferences, training events and seminars.

5. COSTS FOR WHICH EXPENSES CAN BE CLAIMED

The Association will recompense committee members for the following types of expenses:

(i) Travel costs

Expenses can be paid in respect of the following methods of transport:

- standard class fares on public transport (rail, bus, air or ferry)
- taxi fares
- car mileage

Members are expected to share cars and taxis where possible, to reduce the costs to the Association.

Travel claims should be claimed on the basis of the actual costs incurred, unless the method of transport used is a private car in which case expenses will be paid on the basis of the mileage allowances at Annex 1.

Committee Members are generally expected to use the most cost effective form of transport. However, where a meeting or event is outside the Association's area but within the city of Glasgow, committee members may use the Association's taxi account as a way of reducing travelling time and ensuring personal safety. Use of the taxi account should be agreed in advance with the Finance Manager or a member of staff.

Bridge tolls and car park fees may be claimed as expenses. Fines for breaching parking regulations cannot be claimed.

(ii) Cost of meals

A subsistence allowance to cover the cost of meals can be claimed in the following circumstances:

- the member is attending an external event outside the Association's offices
- the event lasts for more than 5 hours
- Suitable meals are not provided as part of the event.

The allowance is not payable for attendance at Management Committee, sub committee or any other meetings at the Association's offices, or where a suitable meal is provided or has been reimbursed.

The allowances payable will be the day subsistence rates approved by Employers in Voluntary Housing (see Annex 1). Since the subsistence rates are a fixed rate allowance, receipts do not need to be produced when claims are submitted.

(iii) Childcare costs

The costs of having a child looked after while carrying out duties as a committee member will be met by the Association. This includes attending meetings of the Management Committee and its sub-committees.

To comply with the law on caring for children in return for payment, the person looking after the child should be:

- A registered childminder, or
- A close relative of the child, or
- If neither of the above, the care must be provided in the child's own home.

To claim expenses for childminding costs, committee members should:

- Provide a receipt or invoice for expenses incurred, and
- Confirm that the person minding the child is not a member of the committee member's household.

Childminding expenses will be paid for any child or step child of a committee member, or any child for whom the committee member is the legal guardian. The child must normally live with the committee member, and be under the age of 16.

Childminding costs will be paid on the basis of an invoice provided by the childminder, if they are registered childminder.

If a registered childminder has not been used, the Association will base payments on the actual costs paid by the committee member, up to the amounts specified in Annex 1.

A maximum of 8 hours child care costs may be claimed for any 24 hour period.

Child care costs cannot be claimed if the member takes their children to a conference or other event and a suitable free alternative is provided.

(iv) Care of Other Dependent Relatives

Committee members can also claim expenses for arranging care for other dependent relatives, while they are carrying out their duties (including attending meetings of the Management Committee and its sub-committees).

Expenses can only be paid where there is clear evidence of a need for such care to be provided.

Members are required to:

- Provide a receipt for expenses incurred
- Confirm that the person caring for the dependent is not a member of the committee member's household.

The same rates will apply as for childcare (see Annex 1), with the same maximum amount payable during a 24 hour period.

(v) Accommodation

Where accommodation costs are not covered in any other way e.g. within a delegate fee for a conference, the Association will book accommodation for committee members and will arrange for invoices to be sent direct to the Association for payment. This will prevent committee members being out of pocket and having to make a subsequent claim for expenses.

(vi) Overnight Allowances

The Association will pay an allowance to committee members who are required to be away from home overnight on duly authorised Association business (e.g. attending a residential conference). In these circumstances, the allowance payable will be as described at Annex 1.

(vii) Loss of Earnings

The Association will reimburse committee members for any loss of earnings or annual leave entitlement incurred as a result of undertaking essential duties on the Association's behalf. Payment for loss of earnings can be considered in the following circumstances only:

- the payment is not being made in respect to a routine meeting.
- the meeting or event could not have reasonably been held at an alternative time.
- the attendance of the committee member was required and authorised by the Management Committee.
- another committee 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 Chairperson should attend.

The committee member must submit an official letter from their employer confirming that earnings have been lost or annual leave entitlement has been used, on which date, and the amount or value involved.

The Association will pay up to the maximum amounts specified in Annex 1, which are based on expenses to people on jury duty who have lost income. The amounts in Annex 1 are not standard allowances - the amount claimed must be based on the earnings actually lost, as certified by the committee member's employer.

Compensation for loss of earnings will not be paid to those committee members who are self employed.

6. WHAT CAN'T BE CLAIMED AS EXPENSES

Members cannot claim expenses for items where alternative provision has already been made. For example, expenses will not be paid for meals, accommodation, transport etc. where these have already been included in any attendance fee for an event, or if they are provided free of charge.

7. UPDATES TO FIXED ALLOWANCE AMOUNTS

Overnight and care of dependent allowances will be increased annually, in accordance with the increase in salaries (EVH rates) prevailing at 1 April.

Updates to the upper limits for loss of earnings will be considered in the light of any revisions to the maxima for jury service, published from time to time by the Scottish Court Service.

Allowances for subsistence and mileage costs are based on EVH standard amounts, and will be revised periodically in accordance with EVH guidance.

8. CLAIMING EXPENSES

This Policy should cover all of the types of expenses which committee members will typically incur in the course of their duties.

Claims for any other costs will only be considered if appropriate receipts are provided and if the Association's Finance Manager is satisfied that the items claimed are a legitimate expense which the Association should meet.

All claims must be made on the Association's official expenses claim form (attached). The form should be completed in full and signed by the committee member.

With the exception of subsistence allowances, overnight allowances or mileage claims, receipts will be needed as evidence of expenditure.

Claims will be authorised by the Finance Manager or, in her/his absence, by the Head of Finance or the Director or Depute Director.

9. MONITORING AND REVIEW

The Finance Manager is responsible for ensuring that appropriate records are kept of expenses and related payments made to Committee members.

The Association's expenditure on members' expenses is subject to external audit and is also published in the Association's accounts, ensuring accountability to the Association's membership.

The Finance Manager will monitor the cumulative expenses paid to individual members. The Finance Manager may prepare an annual report summarising the total expenses paid to individual committee members.

Fraudulent expenses claims represent a breach of the Association's Code of Conduct. Any such claims will result in action against the committee member concerned, under the Code of Conduct.

This Policy will be reviewed in 5 years time.

ANNEX 1 EXPENSES AND ALLOWANCES AMOUNTS FROM 1ST APRIL 2023¹

Allowable expenses will be paid on the basis of actual costs incurred, as described in the Association's Policy. Different arrangements apply for the items described below.

1. CHILDCARE AND CARE OF DEPENDENTS

Actual costs will be reimbursed where a registered carer is used. If a non-registered carer is used, actual costs will be reimbursed up to the following amounts:

- An hourly rate of **£10.90** for one child² or one dependent relative
- An hourly rate of **£4.96** per child³, where more than one child or one dependent relative needs to be looked after.

2. LOSS OF EARNINGS

The Association will pay up to a maximum of **£32.47 per half day** or **£64.95 per full day**⁴. These are not standard allowances - the amount claimed must be based on the earnings actually lost, as certified by the committee member's employer.

3. CAR MILEAGE ALLOWANCES - EFFECTIVE FROM 6 APRIL 2023

| Mileage allowances (all users) | All engine capacities |
|--|------------------------------|
| Per mile (based on first 10,000 miles allowance) | 45.0p (from 06/04/11) |
| Carriage of passengers (per mile/per passenger) | 5.0p (from 06/04/11) |

4. SUBSISTENCE ALLOWANCES - EFFECTIVE FROM 1 APRIL 2023

Official duty outwith the Association's geographical area of activity for:

- between 5 and 10 hours in any one day: **£11.57**
- more than 10 hours in any one day: **£18.91**

5. OVERNIGHT ALLOWANCES - EFFECTIVE FROM 1 APRIL 2023

Allowance payable to committee members who are required to be away from home overnight on duly authorised Association business: **£32.10 per night**.

¹ 2003/2004 figures stated will be used from the date the expenses policy is approved by the Management Committee. An update will be produced each year from April 2004, or when relevant EVH allowances are published.

² This figure is based on the Scottish Living Wage (£10.50), as at April 2023.

³ This figure is based on the Scottish Child Minders Association charges (SCMA 2016) with annual EVH salary increase applied (5.25%)

⁴ Based on the "Guide to Applying for Expenses for Jury Service", under guidance published by the Scottish Court Service (2015)