



Board Member Remuneration Policy

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Authorised by	Board
Policy Owner	Company Secretary / Governance Manager
Document version	V2
Next review	November 2027

Version Control
Version 1 - December 2020
Version 2 - January 2024
Version 3 - October 2024

Changes Made	Section	Date
Updated to add back in that Travel & Subsistence for Board Meetings and Away Days cannot be claimed by Board Members	Section 4	21 st October 2024
All references to Family Housing have been replaced with Caredig.	All	20 th December 2023
Standardisation of formatting to align with all Caredig Policies	All	20 th December 2023
Values have been updated to reflect our current values.	Page 3	20 th December 2023
References to HR & Remuneration Committee have been replaced with People and Customer Experience Committee (PACE)	All	20 th December 2023
References to the Vice Chair have been replaced with the Senior Independent Director	All	20 th December 2023
'Non-Executive Directors' has been replaced with 'Board Members' for consistency	All	20 th December 2023
Reference to the Board shareholder & Membership Policy has been amended to Board Member Recruitment, Selection and Succession Policy	5.4	20 th December 2023

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1. Introduction

- 1.1 This Remuneration Policy does not form part of the Board Member Agreement for Services and may be amended from time to time. The Policy will at all times reflect statutory and regulatory requirements relating to remuneration and will be drafted and amended in accordance with all applicable legislation or regulations.
- 1.2 Caredig is of the view that Board Member remuneration is an important tool in ensuring that the Board and its Committees are able to recruit and retain appropriately skilled, knowledgeable and experienced individuals to support delivery of strategic objectives.

2. Our Values

- 2.1 In applying this policy/strategy, we will be guided by our values. Our values determine how we behave towards our customers, our colleagues, our partners and our work:
 - **Kind** - We recognise that relationships are at the heart of everything we do, at the heart of good relationships is kindness
 - **Innovative** - we continuously strive to be the best we can whilst seeking creative ideas to improve and grow
 - **Trusting** - We trust people to do the right thing, because good relationships are built on mutual trust and respect
 - **Accountable** - we accept the responsibilities of our role and are accountable for our actions and for doing what is right.

3. Levels of remuneration

- 3.1 Remuneration levels will be reviewed annually and benchmarked every three years by the People & Customer Experience Committee (PACE) to ensure that they remain in line with sector norms. Any changes will be approved by the Board, on a recommendation from PACE Committee.
- 3.2 Remuneration levels will be benchmarked for guidance purposes against relevant comparators. This will include but will not be limited to any available CHC benchmarking surveys, comparable practice in England and Scotland, and other surveys of housing association Board Member remuneration. At no time will remuneration exceed 1% of the organisation's total turnover.
- 3.3 Caredig where appropriate will use an independent external adviser to support People & Customer Experience Committee work and in line with the sector guidance.
- 3.4 The remuneration of Board Members will be published on a named basis in the annual audited financial statements.

4. Remunerated Board member expenses

- 4.1 The Department for Work and Pensions guidance is clear that the DWP does not regard remunerated Board Members as employees for the purposes of pensions' auto-enrolment.
- 4.2 Remunerated non-executive Board Members are classified as employees by Her Majesty's Revenue and Customs (HMRC) and therefore cannot claim expenses for journeys made to Board/Committee meetings or Board Awaydays. Other payments

or reimbursement of expenses to a non-executive director will be made in line with the Travel & Subsistence Policy and if applicable will be net of deductions of income tax.

5. Governance Documentation

Board Member Role Profiles

- 5.1 Remuneration is linked to the carrying out of specified duties.
- 5.2 Role Profiles for the Board Chair, Senior Independent Director, Committee Chairs and Board Members, including Co-optees will be reviewed and updated annually.

Board Member Agreement for Services

- 5.3 On appointment Board members will be expected to sign an Agreement for Services which details:

Period of appointment	Time Commitment	Role and Duties
Fees	Outside Interests	Confidentiality
Review Process	Renewal of Term of Office	Termination
Position on Termination	Status	General
Insurance	Data Protection	Notices
Declaration	Law and Jurisdiction	Definitions

Recruitment, Renewal and Succession

- 5.4 The processes for recruitment, renewal and succession are contained in the Board Member Recruitment, Selection and Succession Policy. These outline the open and transparent nature of all recruitment and selection, the nine-year maximum service rule and succession planning linked to skills required on the Board and its Committees.

6. Governance processes

Induction and Continuing Learning and Development

- 6.1 Caredig will keep up to date its New Member Induction Programme, and will update its rolling continuing Learning and Development Plan as an outcome of the appraisal process.
- 6.2 New Members will be required to complete an agreed induction programme within one year.
- 6.3 Members will be required to participate in both individual and collective learning and development.

Board Member Skills

- 6.4 Caredig will keep up to date its preferred composition and a Skills Matrix Audit which identifies the skills, knowledge and experience required by the Board to be responsible for delivering strategic objectives, manage the associated risks, provide leadership and stay in control the organisation:
- 6.5 The Board composition and skills matrix will be reviewed and updated on an annual basis or sooner if appropriate.
- 6.6 Individual Board Members will be required to benchmark their own skills knowledge and experience annually as part of the Board Appraisal Process.

Board Member Appraisal Scheme

- 6.7 Caredig will undertake a robust appraisal process at least annually.

- 6.8 The appraisal process will incorporate:
- Individual Board Member appraisal, including a 1-1 interview with the Board Chair and/or Senior Independent Director, during which individual performance targets will be agreed annually.
 - Collective Board and Committee appraisal at least triennially.
- 6.9 An appraisal process outcome report will be presented to the Board on completion of each appraisal cycle and a governance action plan created and maintained by the Company Secretary.

7. Practicalities

Pay Differentials

- 7.1 Remuneration will only be made for an individual's substantive position. There will be no additional payments for multiple positions or additional duties. However, Caredig acknowledges that different roles involve different responsibilities. When remuneration levels are reviewed, the Executive Appointments and People and Customer Experience Committee may make differential recommendations for levels of pay for different roles, for example, Chair, Committee Chair etc.
- 7.2 Remuneration will be paid to individual members monthly in arrears via Payroll and will be net of any required deductions for tax and/or National Insurance contributions. Members are responsible for providing the Company Secretary with all the necessary personal details to enable payments to be made. Payments will not be made to service companies.
- 7.3 Remuneration will continue to be subject to satisfactory performance. The Company Secretary and Chair will monitor individual members' compliance with their Deed of Agreement for Services (see appendix 1), Role Profile (see appendix 2) and other governance requirements. The Chair's performance will be appraised by the Senior Independent Director with support from the Chief Executive. In the event that any Member fails to undertake their required duties or meet required performance standards, remuneration may be withheld.
- 7.4 In the event that a Board Member fails to attend 2 Board meetings (including any meetings of Committees of the Board) within 6 months and/or fails to properly undertake their duties remuneration may be reduced by such an amount as the Board determines. In accordance with the Rules of the organisation, Board Members should not miss three consecutive meetings without special leave or prior approval.
- 7.5 Remunerating Board Members can affect their tax position and entitlement to benefits. The overriding government policy in relation these rules is to avoid fraud and to ensure that the public purse does not pay money to people who could be paid by someone else. Simply declining payment does not necessarily mean that a Board Member's situation will be unaffected. Caredig is conscious of the complexity surrounding such legislation and recommends that members seek their own independent professional advice. If necessary, we can provide contact details of appropriate independent professional advisers for members to contact. For Board Members, in receipt of welfare benefits, the Association will commission benefit advice for any current board members who are affected.

8. Equality and Diversity

- 8.1 Caredig will ensure that this policy is applied fairly and consistently to all Board Members. We will not directly or indirectly discriminate against any person or group of people because of their race, religion/faith, gender identity, disability, age or sexual orientation.

8.2 When applying these principles we will:

- Act in line with the Association's values, with respect and in consideration of the needs of individuals;
- Take positive action to reduce discrimination and harassment.

9. Review of the policy

9.1 This policy will be reviewed at least every three years.

9.2 Caredig will also ensure that regular reviews of the policy take account of any changes in regulatory guidance and good practice.

Appendices

- Appendix 1 Deed of Agreement for Services
- Appendix 2 Role Profiles