



Title: Review of Directors' Expenses Scheme

Report of: Managing Director

Purpose of Report

1. To review the current Directors' Expenses Scheme.

Background

2. The Scheme is set out in pages 16.0 to 16.1 of the company's Governance Handbook.
3. Article 24 of the company's Articles of Association provides for directors' expenses to be paid but, "no sum shall be paid to a director in excess of that which would be permitted to be paid to a Board member of a social landlord registered under the Housing Act 1996."
4. Any changes to the company's Articles of Association require the consent of Gateshead Council.
5. The Scheme was reviewed last year and a number of amendments were made to add value the existing scheme.

Proposal

6. Research into other ALMOs' schemes indicates that there are no areas that could add any further value to the existing scheme and it is proposed therefore that the 2014-15 scheme remains the same.

Links to Values

7. This report relates to the company value of being honest, accountable and transparent.

Equality and Diversity Implications

8. There are no equality and diversity implications directly arising from this report.

Financial Implications

9. Provision has been made in the company's budget for 2014/15.

Impact on Customers

10. There was no impact on customers as a result of compiling this report.

Risk Management Implications

11. An inability to retain directors on the Board has been identified as an operational risk and appropriate controls, including an annual review of the directors' expenses scheme, are in place to mitigate this risk.

Value for Money Implications

12. There are no value for money implications directly arising from this report.

Consultation Carried Out

13. Consultation has been undertaken with other ALMOs to compare policies and introduce any good practice.

Recommendations

14. It is recommended that
 - (i) the Directors' Expenses Scheme with effect from 1 April 2014 remain the same;
 - (ii) the Scheme continues to be increased for inflation in line with the Council's expenses scheme;
 - (iii) the report be referred to the Council for information.