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**Title:** Review of Directors' Expenses Scheme

**Report of:** Managing Director

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### **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 no changes were made.

### **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 2015-16 scheme continues to remain 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 2015/16.

### **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 2015 remains the same;
  - (ii) the Scheme continues to be increased in line with the Council's expenses scheme;
  - (iii) the report be referred to the Council for information.