

SOUTH HOLLAND INTERNAL DRAINAGE BOARD

GOVERNANCE

CHAIRMAN'S ALLOWANCE & MEMBERS EXPENSES POLICY

WATER MANAGEMENT ALLIANCE

Last review date: 01 April 2018 (to be reviewed every 5 years)

Next review date: 01 April 2023

Reviewed by: Chief Executive and DEFRA

The Secretary of State may, if he/she thinks fit, authorise an allowance to be paid to the Board's Chairman, for the purpose of enabling the post holder to meet the expenses of their office; in accordance with Schedule 2, Section 1 of the Land Drainage Act 1991. The Board also has the power to pay any reasonable expenses incurred by their members for attending meetings, carrying out inspections and going to conferences etc, by virtue of Schedule 2, Section 2 of the Land Drainage Act 1991. This Policy explains how the Board intends to use these powers.



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Chairman's Allowance

1. The Secretary of State may, if he/she thinks fit, authorise by order the Internal Drainage Board (IDB) to pay an allowance to its Chairman, for the purpose of enabling the post holder to meet the expenses of their office; in accordance with Schedule 2, Section 1 of the Land Drainage Act 1991.
2. The Secretary of State has authorised an annual allowance of £10k to be paid to the Board's Chairman (the [copy Order](#) from DEFRA is shown in appendix 1).
3. The Board has decided how much of this authorised allowance it should pay its Chairman by considering the following: the Chairman's role is set out in the Board's [Division of Responsibilities](#) document (appendix 2). The time commitment has been estimated to be one day a month on average. There may also be a number of other meetings that the Chairman will need to attend and prepare for, which could increase this time commitment.
4. Most of the Environment Agency's (EA) Regional Flood and Coastal Committees (RFCCs) Chairmen currently receive £17,503 a year to fulfil their role, which is very similar. However the time commitment is likely to be considerably greater than it is for an IDB ([stated by the EA as being 5 days a month – appendix 3](#)). The estimated time commitment for an IDB Chairman of one day a month is therefore likely to be around 5 times less than it is for an EA RFCC Chairman.
5. The Board has therefore decided that its Chairman will receive an allowance of up to £3,500 a year for the purpose of enabling him/her to meet the expenses of their office (approx. 20% of the EA RFCC Chairman's Allowance). However, the Chairman may decide not to take this allowance, or to receive a lesser amount. The annual allowance of £3,500 or lesser amount will be paid to the Board's Chairman on 1 November 2013, one year in advance and annually thereafter. The level of allowance payable to the Chairman shall be reviewed again on 31 October 2015 and triennially thereafter.
6. If the Chairman is employed by a limited company, then the allowance may be paid to them without making any deductions for PAYE on receipt of an Invoice from the company (see letter of 16 November 2012 from HMRC). Alternatively the Chairman will receive the allowance net of PAYE via payroll.
7. The Chairman will also be entitled to claim travelling and out-of-pocket expenses as a Board member, in accordance with the Members Expenses Policy set out below.

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Members Expenses

1. The Board has the power to pay any reasonable expenses incurred by their members for attending meetings, carrying out inspections and going to conferences etc, in accordance with Schedule 2, Section 2 of the Land Drainage Act 1991.
2. The Board will pay all approved travelling and out-of-pocket expenses incurred by their members for attending meetings, carrying out inspections and going to conferences etc within the UK only, subject to the Rules generally set out in the Board's Financial Regulations and more specifically set out as follows:
3. The Board will pay its members a mileage rate of £0.45 per mile for all approved business mileage (being the prevailing HMRC rate for using one's own car), subject to item 5 below. Members' mileage payments in respect of Board/Board Committee meeting attendance at Marsh Reeves, will not be reimbursed to the individual, but will be paid into the South Holland IDB Lunches Account. The funds in this Bank Account are used to pay for refreshments at Board inspections, retirement gifts, Christmas lunches and for sundry gratuities approved by the Board. Payments can only be authorised by the Board's Chairman and require both the Chairman's and the Chief Executive's signatures. Members are required to insure their vehicles for business use and to comply with all legal requirements when using their vehicles on the Board's behalf. Under no circumstances will the Board pay any fines arising out of any Road Traffic Act offences. Members may be required to periodically produce their driving licences, as evidence that they are legally qualified to drive.
4. For all journeys by rail standard/second class tickets should always be used unless first class is cheaper. The most inexpensive ticket must always be bought.
5. The Board will not reimburse its members any travelling and/or out-of-pocket expenses incurred, if they are able to recover the expense from another public authority or charitable body. Every member will need to declare this to be the case when submitting an expenses claim. Evidence may also be required to prove that a Billing Authority will not reimburse such expenditure.
6. All expense claims must be properly evidenced and receipts should always be submitted with such claims. Expenses will not usually be authorised for payment if they are claimed by the member more than 6 months after the expenditure was incurred.
7. Board members will not receive any compensation for the time they spend preparing for and attending meetings, carrying out inspections or going to conferences etc on the Board's behalf (excluding the Chairman who will receive a Chairman's Allowance as set out above).
8. Members can claim their travelling and out-of-pocket expenses by completing the Board's [Expenses Claim Form - appendix 4](#), which must then be approved by the Chief Executive. If the Chief Executive does not feel able to approve the claim, the Board itself must approve the

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expenses for payment by resolution. All such decisions will be recorded in the Board's Minutes, which are published on the Group's website.

9. If in doubt as to whether an expense will be approved, members are encouraged to consult with the Board's Chief Executive beforehand. In the event that an expense is incurred before such a consultation and a subsequent consultation/application to the Board reveals that the expense so incurred is not covered by this Policy, the member who has incurred the expense will be required to cover the cost from personal funds.
10. All approved expenses will be paid to members within 30 days of being approved, by BACS transfer.
11. All payments are a matter of public record and will be published as such.

Certification

South Holland IDB has approved the Chairman's Allowance and Members Expenses Policy as set out above on 5 February 2013, which will be subject to periodic review.

By Order of South Holland Internal Drainage Board

Certified by Mr P J Camamile, Chief Executive

5 February 2013