

BOARD MEMBER ALLOWANCES

Summary: to propose a new method of calculating Board Member Allowances

Recommendation: that the Board adopts the new Board Member Allowances proposal

Report by: Andy Parsons – Chief Executive

BACKGROUND

1. All Board Members are entitled to receive an allowance to reflect their role in providing advice, guidance and expertise to the Board.
2. There are currently four levels of payment (per annum):
 - Board Member = £300
 - Executive Committee Member - £300 (Board) + £600 (Exec) = £900
 - Vice-Chair - £300 (Board) + £600 (Exec) + £1,200 (Vice-Chair) = £2,100
 - Chair - £300 (Board) + £600 (Exec) + £2,100 (Chair) = £3,000
3. The total annual expenditure on Board Member allowances is in the region of £20,000. There are currently three Board Members who have waived their allowance.
4. Over the past few months, the Chief Executive (supported by the Chair and Vice-Chair) has been reviewing the current methodology and seeking to implement a new system which better reflects the breadth and scope of Board Members' involvement and time commitment in furthering the work of the Board.
5. Two key considerations were central to this review:
 - The number of Board meetings and Executive Committee meetings (annually) have each reduced by 25%, from four to three, e.g. Executive Committee Members now attend six meetings per annum, not eight as previous.
 - There is a lot of time, effort and activity by some Members to support the Finance and Governance Sub-Committee, Assessment Panels, Working and Steering Groups – however, this is not recognised in the current system.
6. With a very modest overall budget, one of the key outcomes of the review was to ensure cost effectiveness and to avoid significant increases.
7. **The Finance and Governance Sub-Committee reviewed the proposal at its May meeting and recommend the following proposed changes to the Board.**

PROPOSALS

Proposal 1 – Reduce the Board Member 'basic' allowance from £300 to £225. The rate per meeting would remain the same at £75.

Proposal 2 – Reduce the Executive Committee 'additional' allowance from £600 to £450. The rate per meeting would remain the same at £150.

Proposal 3 – Maintain the Vice-Chair 'special' allowance at £1,200 (in recognition of additional commitments, e.g. bi-monthly meetings with the CEO, including appraisals)

Proposal 4 – Maintain the Chair ‘special’ allowance at £2,100 (in recognition of additional commitments, e.g. bi-monthly meetings with the CEO, Defra meetings, Secretary of State appointments, Member appraisals)

Proposal 5 – Introduce a ‘new’ allowance of £200 for Board Members that are actively serving on:

- Finance and Governance Sub-Committee
- Farming in Protected Landscapes Assessment Panel
- Working Groups (for 2022/23 – Climate Change; Health, Wellbeing and Social Inclusion; Planning and Infrastructure; Projects and Fundraising)
- Steering Groups (for 2022/23 – A417 Missing Link; Cotswolds Champions; Glorious Cotswold Grasslands)

Key points/ considerations:

- All figures (£) are per annum
- Mileage claims and other expenses are not included within this review
- Members should only serve on a maximum of two groups at any one time
- External representation (i.e. non-Board Members) on any of the groups could also be offered the £200 allowance, if deemed appropriate

SUMMARY OF CHANGES:

Role	Current Combined Allowance	Proposed Combined Allowance	<i>Plus £200 per additional group</i>
Board Member	£300	£225	
Executive Committee Member	£900	£675	
Vice-Chair	£2,100	£1,875	
Chair	£3,000	£2,775	

It is anticipated that the new budget will be +/- £1,000 of the existing one.

RECOMMENDATION

- It is recommended that the Board approves this proposal, to reflect (1) the reduction in the number of Board and Executive Committee meetings, (2) the additional time commitment expected from the Chair and Vice-Chair and (3) the input and time given by Members on the various groups.

SUPPORTING PAPERS

- None

JUNE 2022