



BOARD REMUNERATION POLICY

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Issue	Brief Description of Reason for Change	Document Owner	Date Issued
0	New policy	Aled P Davies	10/04/2019
1	Rebrand	Aled P Davies	08/10/2019
2	Amendment to reflect changes to the 'Board Member and Co-optee Expenses Policy', and to provide clarity as regards application to Medra Cyfyngedig	Aled P Davies	October 2022

1.0 SCOPE / PURPOSE

1.1 The purpose of the policy is to provide transparency with regard to Adra's approach to setting the pay of its Board. It details the aims and processes by which remuneration levels are determined.

2.0 POLICY DETAIL & PROCEDURE

2.1 Adra is committed to attracting and retaining suitably skilled, knowledgeable and experienced Board Members and Co-optees, so as to support the delivery of strategic objectives. Board remuneration is viewed as a key tool in fulfilling this aim, and it is therefore essential that levels are set at an appropriate and competitive rate. This Policy details the framework and process for doing this, and is intended to grant flexibility when required to address changing sector practices and organisational objectives.

2.2 Reviewing and Adjusting Remuneration Levels

2.2.1 Remuneration levels will be reviewed as a minimum every three years by the Board's Appointment, Remuneration & Disciplinary Panel (ARDP). Any changes will be approved by the Board, on a recommendation from this Panel.

2.2.2 Remuneration levels will be benchmarked for guidance purposes only against relevant comparators (including but not limited to any available CHC benchmarking surveys, comparable practice in England and Scotland, other surveys of housing association non-executive remuneration, any other public, quasi-autonomous non-governmental organisation (quango), Welsh Government arms length bodies and not-for-profit comparators available at the time). Adra will aim to remunerate at levels +/- 5% of remuneration offered by similarly sized not-for-profit housing organisations.

2.2.3 At no time will total Adra Board remuneration exceed 1% of Adra's total turnover.¹

2.2.4 In reaching its decision, the ARDP may also give consideration to any changes to, and proportionality of:

- Board size and composition
- Board and Committee functions and duties
- Responsibilities of role & time commitment
- Staff numbers
- Units/population served

¹ For clarity, this principle relates specifically to remuneration. As noted at section 2.3 of this Policy, Expenses are governed separately.

2.2.5 The ARDP will seek guidance and assistance from the Head of Governance and / or the Assistant Director of People Services. Where appropriate, consideration will also be given to the use of an independent external adviser to support the ARDP's work.

2.2.6 At present, no provision is currently made for remuneration of Local authority *appointed* board members. This matter will be kept under review

2.2.7 The remuneration of non-executive members will be published in the annual audited financial statements. These will detail remuneration levels for different posts.

2.3 Non-executive Member Expenses

2.3.1 The matter of expenses / allowances is governed separately within the 'Board Member and Co-optee Expenses Policy'.

2.4 Practicalities and Implementation

2.4.1 Adra acknowledges that different roles involve different responsibilities. This is reflected in current remuneration levels for different roles (e.g. Chairs). When remuneration levels are reviewed, the sub-committee may continue to make such differential recommendations. Remuneration will however only be made for an individual's highest substantive position – there will be no additional payments for multiple positions (for example multiple Chair duties or Champion roles)

2.4.2 Remuneration will be paid to individual members monthly in arrears via Adra's present payroll system, with payments being made via BACS. Payments will be net of any required deductions for tax and/or NI 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 or an account not in the name of the Member.

2.4.3 Remuneration will continue to be subject to satisfactory performance. The Company Secretary will monitor individual members' compliance with their Service Level Agreement and its expected time commitments, and also compliance with other relevant governance documents and frameworks. In the event that any member fails to undertake their required duties or meet required performance standards, remuneration may be withheld. Such conditions are detailed within the Service Level Agreement.

2.4.4 Where an individual member does not wish to receive remuneration alternatives will be considered such as donation to a charitable organisation.

2.4.5 Remunerating non-executive members can affect their tax position and entitlement to benefits. The overriding government policy in relation to 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 non-executive member's situation will be unaffected. Adra is conscious of the complexity surrounding such legislation and will provide assistance in terms of reimbursing reasonable professional advice regarding the effects of payment on an individual's benefits claims where this is agreed in advance with the Company Secretary.

3.0 RESPONSIBILITY AND ARRANGEMENTS

3.1 Responsibility for this Policy and its effective implementation lie with the Head of Governance

4.0 DEFINITIONS

4.1 For the avoidance of doubt, for this Policy and its purposes:

- "Adra" refers to Adra (Tai) Cyfyngedig
- "ARDP": the Board's Appointment, Remuneration & Disciplinary Panel
- "Board Member" means any member serving on Adra's board or any committee.
- "Co-optee" means a person co-opted to serve on the Board under Part D3 of the Rules. This Policy applies equally to Board Members and Co-optees – for these purposes, references to 'Members' applies to both.

5.0 ASSOCIATED DOCUMENTS

5.1 The Policy will at all times reflect statutory and regulatory requirements relating to remuneration, and will be amended in accordance with any such changes. This Policy is also closely associated and should be reviewed alongside:

- Adra's Board Member and Co-optee Expenses Policy
- The Board Service Level Agreement – On appointment Non-Executive Members will be expected to sign this Agreement, prior to remuneration commencing. For the avoidance of doubt, this Policy does not form part of that Agreement
- Board Member Code of Conduct
- Board and Committee Terms of Reference, and Non-Executive Role Profiles – remuneration is linked to the carrying out of specific duties, and any changes as such could influence remuneration levels

- Board Appraisal frameworks
- Any Board skills matrices or appraisals
- Declaration of Interest frameworks
- CHC Code of Governance

6.0 EQUALITY AND DIVERSITY

6.1 Adra recognises the needs of a diverse population and always acts within the scope of its own Equality and Diversity Policy. Adra is fully committed to safeguarding Equality & Diversity, and this is a factor for consideration in applying this Policy.

6.2 As part of its development, this document and its impact on equality has been screened for relevance and no detriment has been identified.

7.0 GENERAL DATA PROTECTION REGULATIONS (GDPR)

7.1 This document does not intrude on the rights of individuals within the Data Protection Act 2018. Any data gathered for the use of this procedure shall be treated with the utmost confidentiality.

7.2 As part of its development, this document and its impact on data privacy has been assessed and a full data protection impact assessment is not required.

8.0 Medra Cyfyngedig

8.1 For the avoidance of doubt, this Policy applies specifically to Adra Board remuneration, and is not intended to apply in its entirety to Medra Cyfyngedig. In accordance with Medra Cyfyngedig's Articles, Medra Directors' remuneration is to be approved by its Parent (Adra). Any review on that matter is to be co-ordinated by Medra Cyfyngedig's Company Secretary, who would make a recommendation to the Adra Board (if relevant). It is likely that such a review would be supported by an independent external advisor, and be guided by the spirit of and principles within this Policy (where relevant).