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# **Cynhadledd Llywodraethiant Governance Conference**

**March 8/9 Mawrth**

**Digwyddiadau • Events**

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**HUGH | JAMES**

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# **To pay or not to pay.... ....that is the question**

Patricia McCabe, Central Consultancy

Stephanie Bamford, Central Consultancy

Mike Gaskell, Trowers & Hamlins



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# **Non-Executive Remuneration in RSLs in Wales**

**Resource Pack  
December 2017**



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**Commissioned by**

**Pobl Group, Trivallis, Cartrefi  
Conwy and Cartrefi Cymunedol  
Gwynedd with CHC**

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## Resource Pack authors

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## How did we get where we are today?

It's been quite a journey ...

- > The Housing Act 1996
- > RSL Circular 005/10 (2010)
- > Sector Study on Governance of Housing Associations Registered in Wales (2013)
- > Welsh Government Draft Guidance on Housing Association Board Member Remuneration (2014)

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## How did we get where we are today?

It's been quite a journey ...

- > ONS reclassification decision (2016)
- > New Regulatory Framework for Housing Associations Registered in Wales (May 2017)
- > PAC Inquiry into Regulatory Oversight of Housing Associations (August 2017)



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## How did we get where we are today?

It's been quite a journey ...

- > Carl Sargent and Ian Williams Letters to the Sector (October 2017)
- > The Regulation of Registered Social Landlords (Wales) Bill (October 2017)
- > Resource Pack commissioned (October 2017) and published (December 2017)





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# What is in the Resource Pack?

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## Consideration of how RSLs might decide what is appropriate for them

1. Legislation and background
2. The legal duties of RSL board members
3. The reasoned business case
4. The process
5. Good governance essentials
6. Payment – assessing the potential advantages and disadvantages
7. How much to pay and how to justify

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## The Resource Pack

- > Model non executive board and committee member deed of agreement for services
- > Model non executive board and committee member remuneration policy
- > Guidance on setting levels of pay
- > Appendix 1 – legal guidance note - current position on payment of non-executive board members by Welsh RSLs



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## Trowers & Hamlins advice

*'It is our view that Welsh Government has now, by the letters dated 10 and 13 October referred to above, made clear that RSLs may pay their board members without breaching Schedule 1 of the Housing Act 1996 provided that they "take due account of" what is contained in CHC's Code of Governance on the subject'*



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**How many of you have already had a  
discussion at board about ‘to pay or not to  
pay’?**



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# The legal duties of RSL board members

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# The reasoned business case

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# The process

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# Good governance essentials

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# Payment – assessing the potential advantages and disadvantages



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# How much to pay and how to justify

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# The model non executive board and committee member deed of agreement for services

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# The model non executive board and committee member remuneration policy



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# Guidance on setting levels of pay



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# Legal guidance note - current position on payment of non-executive board members by Welsh RSLs



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## To pay or not to pay

Final questions ...

... Do you have three things to take away with you and think about?

Thank you, and enjoy the rest of the conference





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**Diolch.**  
**Thanks.**