

National Governors' Council  
Good Practice Guides for Governors

***Good Practice in  
Developing an  
Allowances Policy for  
Governing Bodies  
2005***

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**National**  
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## Contents

1. Introduction	Page 3
2. The Survey	Page 4
3. Commentary on the Survey Results	Page 6
4. Conclusion	Page 7
5. Recommendations	Page 8
6. Issues to Consider in Drawing Up an Allowances Policy	Page 9
Appendix 1 - Model Policy	Page 10
Appendix 2 – Model Claim Form	Page 12
Appendix 2 DfES Regulations	Page 13

## 1. Introduction

The purpose of this research was to investigate current practice in the payment of governors' allowances; to raise awareness and encourage debate amongst governors on this issue; to look at the barriers to governors claiming allowances; and to make recommendations about possible improvements to the current system and practice.

Questionnaires were distributed through our e-mail network in the autumn term 2004, and over 250 governors responded. The results demonstrated that there is a strong culture which militates against claims for allowances being acceptable as this is seen as diverting resources away from pupils.

**It should be noted that while the correct legal terminology is “allowances” many governors refer to “expenses”. The questions to governors were couched in that language and they responded accordingly. It is clear that governors understand “expenses” in the sense of “allowances” under the legislation and we do not believe that the terminology has affected the validity of this research.**

The DfES Guidance on Paying Allowances to School Governors (September 2003) (See Appendix 2) says,

*“...it is good practice to pay such allowances as governors should not be out of pocket for the valuable work they do.”*

**A governor writes,**

*“At a meeting earlier this year a governor, who is an elderly spinster with only a small pension, raised this issue. I supported her in saying that those who wished to claim petrol money for attending training days should be allowed to. After the discussion my colleague was obviously terribly embarrassed.*

*Clearly, the staff governors voted against. With the Head abstaining, the teacher governors could hardly do otherwise. The vote was split with the Chair (not unexpectedly) casting his vote with the ‘nos’. The vice-chair, a well-off farmer, commented that we should not expect to be paid. No-one is asking to be paid, only reimbursed for expenses, and only for those who wish to claim. I have no need to claim myself but I would not be prepared to travel very far for training.*

*If this situation is to continue then only people who can afford to subsidise the post of governor need apply. I find this to be an elitist and inappropriate attitude to the role. I know from other voluntary jobs I do that some people are reluctant to apply for governor vacancies when they know it will cost them money to do the job.”*

The challenge which needs to be addressed by governors, headteachers, governor associations, LEAs and the DfES is to bridge the gap between the intention of the regulations and the current practice in many schools.

## 2. The Survey

### We asked governors

- i. Does your governing body have a policy on governor expenses?
- ii. Do governors claim expenses?
- iii. Does your governing body discourage the claiming of expenses?
- iv. Are you out of pocket as a result of being a governor?
- v. We also asked governors to add any other comments.

#### **i. Does your governing body have a policy on governors' expenses?**

32% of respondents said that their governing body does not have a policy on governors' expenses.

*"As it would involve work in drawing up a policy – and since no-one wants to claim expenses, we haven't got one."*

*"Nobody can remember the last time expenses were claimed, it's not that we don't want to but more like we never knew we could until the last meeting when I asked about it, which, coincidentally, was also when we received your survey."*

NGC strongly recommends that all governing bodies should have a policy on the payment of governors' allowances. A model policy is appended to this document. It is, of course, at the discretion of individual governors whether or not they make claims under this policy.

10% said that their policy was not to pay expenses.

It is permissible, although not recommended, under the DfES guidance for the policy to state that no allowances will be claimed. Although this is not ideal, it does at least mean that the issue will be discussed and reviewed on a regular basis. Governing bodies making the decision not to allow the payment of allowances should consider how this policy may affect their ability to recruit and retain governors for whom lack of allowances might be a barrier.

#### **ii. Do governors claim expenses?**

Fewer than 10% of respondents said that they claimed expenses.

The vast majority of governors reported that they did not claim expenses, for a variety of reasons:

- the impact it would have on the school budget (in the general sense that any money taken out of the school budget was less to spend directly on education and in the more critical sense that the school was already experiencing financial difficulties and they could not afford to pay);
- as volunteers they expected to meet costs;
- they did not feel able to claim because others on their governing body felt it inappropriate.

*“The governors are very aware that any expenses would come from the revenue budget and effectively result in reduced provision.”*

Most of the tiny minority who did claim cited one-off-payments for specific claims e.g. long journeys for training courses. Very few claim routinely. The comments below are exceptional – but show that it can be done if the prevailing culture of the school supports it.

*“I claim postage, telephone calls and parking fees, but am not able to claim for petrol. Where necessary, governors with children can claim for babysitting, as agreed with our governing body.”*

*“We agreed that it was perfectly OK to reclaim babysitting expenses for parents who needed cover when they are at governors’ meetings - twice a term. We encouraged those parents who needed to claim.”*

### **iii. Does your governing body discourage the claiming of expenses?**

31% of respondents said that their governing body discouraged the payment of expenses.

It is clear from the responses that directly or indirectly many governors, even when their governing body has a policy setting out what can be claimed, feel they are discouraged from claiming. A number of responses indicated that it was felt only those who would suffer “hardship” should claim allowances.

*“Not officially, but everyone feels it is difficult to take any out of school’s limited funds.”*

*“We don’t discourage claiming, but somehow it hasn’t caught on. We have made a decision to allocate £300 a year for governor expenses but no applications have been made ...I campaigned for this fund, but I find it difficult to claim ...”*

### **iv. Are you out of pocket as a result of being a governor?**

75% of governors said they were out of pocket, but of these a significant minority said they were happy with this situation.

*“Definitely, but I can live with it!”*

*“Governors, as indeed all voluntary workers, accept that they will be out of pocket.”*

*“... I can afford to be out of pocket and regard this as a contribution to my school.”*

**A significant number of others, however, felt that the amount they were out of pocket was above and beyond what was reasonable and that some provision should be made for this. In particular, respondents said that Chairs of governors faced the highest burden, as result of the additional responsibilities they carried. A number of respondents reported that the culture of not claiming allowances had a detrimental effect upon the development of governors as they were less willing to seek additional information or attend training courses if they were going to be out of pocket.**

*“It is a very odd system which places so much emphasis on the role and responsibility of school governing bodies but provides no resourcing or recognition of the job they do. It would seem to lead to patchy time commitment by governors and little interest in the development of expertise. It is doubtful whether many governors have the time or the inclination to familiarise themselves with government initiatives.”*

*”This is particularly true of the chair who has to undertake additional meetings, briefings, visits and courses. “*

*“... Out of pocket expenses should be claimed – to avoid discouraging people from engaging in useful activities and to avoid hiding the true cost of what is done.”*

### **3. Commentary On Responses**

This research shows that the vast majority of governors do not claim allowances for expenses incurred in the course of their duties. Very few governors reported that they routinely claimed. It is clear that a culture exists which directly or indirectly discourages individual governors from claiming. A number of respondents in commenting upon this aspect felt that this culture militates against those who were less financially well off and could not afford to be out of pocket.

*“When I asked for bus fares to be paid – only £2 – there was a discussion (when I left) that one becomes a governor to do a service and should not expect any reward”*

*“... not all pupils come from affluent families and their parents should not be excluded from being parent governors because of cost.”*

This research did not look specifically at recruitment and retention issues and, therefore, it is not possible to say how significant the effect of not paying allowances is on recruitment and retention of governors.

#### **Other Issues Raised by Governors**

A particular issue raised by governors in relation to out of pocket expenses was the need to access information from the Internet. A number of governors commented that as a great many documents were now made available only via websites there was a significant increased cost factor in printing these documents.

A number of governors expressed the view that governors would be more likely to claim allowances if funding for them was held centrally by the local authority or DfES. Many felt it was unrealistic, particularly for small rural schools where the costs were likely to be disproportionate, to expect governors' allowances to be met from schools' budgets.

There was also concern that many employers simply did not recognise or understand the significant responsibilities governors held and, therefore, did not accord school governors the same recognition as other volunteers, such as JPs.

Finally, a significant number of governors reported that out of pocket allowances for travel, postage and telephone calls were a relatively minor problem when compared to the issue of loss of earnings. This becomes a big problem when governors as part of their responsibilities are called on to attend appeal or grievance hearings which in many cases take several weeks to resolve. Governors reported that they either could not afford to volunteer for these hearings (a particular problem for the self-employed), were forced to take annual leave or the task was delegated to those governors who were retired.

#### **4. Conclusion**

It is clear that a culture persists within governance that, as volunteers putting something back into the community, governors should not expect payment of any kind for their services. At the same time many of our respondents pointed to the significant responsibilities governors have and compare their role to that of a JP. Yet it is not suggested that JPs should give their services totally gratis and not claim allowances. This is all the more strange as many governors are also JPs.

It is clear that at the heart of the problem is where the money comes from. Many governors are also JPs yet do not have the same "issues" about claiming allowances for that role as they do for their work in governance. The crux of the matter is that JPs don't have responsibility for their own budgets and do not, therefore, have to consider whether they are "robbing Peter to pay Paul" in claiming travelling allowances. There is no easy answer to this question. We are all aware that schools face consistent budget pressures and some face real financial difficulties. Governors do face a genuine dilemma when using school budgets to pay allowances. However, there is a very real possibility that if governors continue to be out of pocket a culture will spring up of doing the bare minimum and not going the extra mile to find out about new initiatives or attending training courses. Ineffective, ill-informed governors in the long run can be disastrous for a school. While not in any way dismissing the very real concerns the governors who responded to this survey have about funding an allowances policy, we believe that all schools can develop a policy, even if it is limited in scope.

It is important for the diversity of governing bodies and good governance that a wide range of people should be encouraged to become governors. If the financial burden of becoming a governor is too great then we are in danger of making governance the preserve of those with sufficient disposable income to afford it.

Technically it is possible for a governing body to devise a policy which encourages only those with "limited resources" to claim. We do not believe that this is desirable. To "limit"

claims to those with less disposable income is likely to stigmatise rather than help and will probably result in no claims or resignation. All governors incur allowances and all should be encouraged to claim.

It is NGC's firm belief that the only sensible policy is one which encourages all governors to claim. The choice not to claim is no choice at all if it stigmatises those who want to claim.

## **5. Recommendations**

- It should be acknowledged that being a governor is not a cost free activity. Payment of allowances for expenses which have been incurred and are verifiable is not a reward!
- All governing bodies should adopt a formal written allowances policy and encourage governors to claim.
- Accepting that schools do face financial constraints the governing body should consider whether to place a financial limit on the total allowances pot.
- It is clear that Chairs of Governors face additional costs over and above the rest of the governing body and we believe that they should take the lead in raising the issue of allowances, ensuring a policy is in place and that all members of the governing body claim.
- Ensure that the policy is reviewed at regular intervals. We recommend an annual review.
- Coordinators of Governor Services are also well placed to advise and encourage governors in their areas. COGs will be proactive in encouraging governing bodies to set up allowances policies and to claim.
- In its campaign to Raise the Profile of governors DfES should stress that as valued volunteers governors should not feel stigmatised by claiming allowances. The work they do is every bit as valuable as that carried out by JPs and no-one questions their reimbursement.

## **6. Issues To Consider When Drawing Up An Allowances Policy**

- What items will members of the governing body be able to make a claim for? E.g. travel expenses, childcare, postage and phone calls.
- Consider whether to set an annual budget limit for the allowances fund.
- Consider what mechanism you will adopt for making and verifying claims.
- All policies should be reviewed regularly. Consider in drawing up your policy at what interval you will review it. You may also need to review the amount individuals can claim, for instance, in the light of any changes to the Inland Revenue mileage allowances.
- Ensure that all new members of the governing body are provided with a copy of the policy and any relevant claim forms.

**Ensure that your policy is in line with The Education (Governors' Allowances) (England) Regulations 2003 and the DfES Guidance Paying Allowances for School Governors (key details reproduced at Annex 3).**

The Education (Governors' Allowances) Regulations 2003 are available from The Stationery Office (ISBN 0-11-045135-X) or on the Stationery Office's website at:

<http://www.legislation.hmsso.gov.uk/si/si2003/20030523.htm>

**The full text of the DfES' Guidance can be found on Governornet at:**

<http://www.governornet.co.uk/linkAttachments/GovernorAllowancesOct03.pdf>

## Appendix 1

### **Model policy (with thanks to Christine Oakes, Chair of Governors, Charles Burrell High School, Thetford, Norfolk.)**

#### Governors' Allowances Policy

This policy statement has been developed in accordance with the Education (Governors' Allowances) Regulations 2003. These regulations give Governing Bodies the discretion to pay allowances from the school's annual budget allocation to governors for certain allowances which they incur in carrying out their duties. XXX School Governing Body believes that paying governors' allowances, in specific categories as set out below, is important in ensuring equality of opportunity to serve as governors for all members of the community and so is an appropriate use of school funds. The specific items allowable reflect this objective.

#### **From [date], all governors of xxx School will be entitled to claim the actual costs, which they incur as follows:**

1. Governors will be able to claim allowances providing the allowances are incurred in carrying out their duties, as a Governor or representative of xxx School, and are agreed by the Steering Committee that they are justified before any reimbursable costs are incurred.
2. Governors will be able to claim for the following, on a case-by-case basis and with the prior approval of the Governing Body:
  - Childcare or baby sitting allowances (excluding payments to a current/former spouse or partner);
  - Cost of care arrangements for an elderly or dependent relative (excluding payments to a current/former spouse or partner);
  - The extra costs they incur in performing their duties either because they have special needs or because English is not their first language;
  - The cost of travel relating only to travel to meetings/training courses at a rate of 24 pence per mile which does not exceed the specified rates for school personnel;
  - Travel and subsistence costs, payable at the current rates specified by the Secretary of State for the Environment, Transport and the Regions, associated with attending national meetings or training events, unless these costs can be claimed from the LEA or any other source;
  - Telephone charges, photocopying, stationery, postage etc;
  - Any other justifiable allowances.

#### **The Governing Body at xxx acknowledges that:**

- Governors may not be paid attendance allowance;
- Governors may not be reimbursed for loss of earnings.

Governors wishing to make claims under these arrangements, once prior approval has been sought, should complete a claims form (obtainable from the School Office), attaching receipts where possible, and return it to the School within two weeks of the date when the allowances were incurred, when they will be submitted for approval by the Chair of Governors or Chair of Finance to be presented to the Finance Committee (which meets at least once per half-term) for final approval.

Claims will be subject to independent audit and may be investigated by the Chair of Governors (or Chair of Finance in respect of the Chair of Governors) if they appear excessive or inconsistent.

This policy will be reviewed annually.

## Appendix 2

### Model Claims Form

<b>Name:</b>	<b>Name of School:</b>
<b>Address</b>	<b>Date:</b>
<b>Post Code</b>	<b>Claim Period:</b>

I claim the total sum of £..... for governor expenses as detailed below. I have attached relevant receipts to support my claim.

Signed.....

	£	p	p
Child care/Babysitting expenses			
Care arrangements for an elderly or dependent relative			
Support for governors with special needs			
Support for governors whose first language is not English			
Travel to meetings/training courses			
Travel/subsistence to national meetings or training events			
Telephone Charges			
Postage			
Photocopying			
Stationery			
Other (please specify)			
<b>TOTAL EXPENSES CLAIMED</b>			

This form should be submitted to:

[Details e.g. school office]

## Appendix 3

### **DfES Regulations: Paying Allowances to School Governors (September 2003)**

#### **Key Messages**

- Governing bodies can continue to choose whether or not to pay allowances to governors. The Department thinks that it is good practice to pay such allowances as governors should not be out of pocket for the valuable work they do. Governors should be able to claim legitimate allowances where governing bodies have set up schemes to make such payments.
- Payments can be made for any expenditure necessarily incurred by individual governors to enable them to carry out governor duties.
- Allowances for travel cannot exceed the Inland Revenue Authorised Mileage Rates. Payments of other allowances must only be made on provision of a receipt. The amount to be paid should be determined by the governing body and be limited to the amount shown on the receipt.
- Governors cannot claim attendance allowances i.e. payment for attending meetings themselves, or for loss of earnings.
- Allowances can be paid to governors serving on temporary governing bodies, and to associate members.
- Governor allowances will continue to be paid from the school's delegated budget.
- In schools without delegated budgets, the LEA may pay governor allowances.

The Education (Governors' Allowances) Regulations 2003 are available from The Stationery Office (ISBN 0-11-045135-X) or on the Stationery Office's website at:

<http://www.legislation.hmso.gov.uk/si/si2003/20030523.htm>

Guidance on the regulations can be found on Governonet:

<http://www.governonet.co.uk/linkAttachments/GovernorAllowancesOct03.pdf>