

Chairperson and Community Board Members
Waikanae Community Board

10 MAY 2011

Meeting Status: Public

Purpose of Report: For Decision

DRAFT REMUNERATION PROPOSAL FOR ELECTED MEMBERS AND EXPENSES AND ALLOWANCES POLICY FOR THE PERIOD 1 JULY 2011 TO 30 JUNE 2012

PURPOSE OF REPORT

1. This report presents the Draft Remuneration Proposal for the Waikanae Community Board and draft Expenses and Allowances Policy for the period 1 July 2011 to 30 June 2012 for their consideration and recommendation to the Council.

SIGNIFICANCE OF DECISION

2. The Council's Significance Policy is not triggered by this report.

BACKGROUND

3. At its meeting on 21 April 2011 the Council approved the following resolutions:

"That the Council adopts the draft Remuneration Proposal for Elected Members based on applying 6.5% to the remuneration levels for each Elected Member position that applied for 2010/11 as outlined in Appendix 1 to this report FIN-11-193.

That the Council adopts the Draft Expenses and Allowances Policy as set out in Appendix 2 to this report FIN-11-193.

That the draft Remuneration Proposal for the Community Boards and the draft Expenses and Allowances Policy be presented to each Community Board for their comments and recommendations."

4. A copy of the report FIN-11-193 to Council on the draft Remuneration Proposal for Elected Members and draft Expenses and Allowances Policy is attached to this report as Appendix 1.
5. The increase in remuneration pool for the 2011/12 year for the Kāpiti Coast District Council is 6.7%, rather than the 6.5% reported to this Council. This error was identified after the Council meeting on 21 April 2011. An updated Draft Remuneration Proposal showing the impacts of the 6.7% increase is attached as Appendix 2.
6. The total remuneration pool for the whole country has been increased by 2% by the Remuneration Authority.

7. The factors that determine the relative levels of total remuneration pool for each local authority have been applied and these include the following factors:

Population	(50% weighting)
Expenditure	(33% weighting)
Assets	(17% weighting)

8. The impact of applying these factors varies for each local authority in terms of determining their new total remuneration pool for the 2011/12 year. Very little movement or even a decrease in population in some instances for some Councils has meant that they should have had a decrease in their total remuneration pool compared to the previous year.
9. The Remuneration Authority decided that all Councils would at least retain the same total remuneration pool as had been approved in the previous year.
10. This means the 2% increase in the total remuneration pool for the whole country is spread over a smaller number of Councils including the Kāpiti Coast District Council who have still experienced growth in population. This has resulted in an increase of 6.7% in the total remuneration pool for the Kāpiti Coast District Council Elected Members. There was no increase in the Elected Members' remuneration for the 2010/11 year.
11. The Remuneration Authority has been requested in the past whether it is mandatory to fully allocate the total remuneration pool. Their response has been that their preference is for the remuneration pool to be fully allocated for the following reasons:
- The remuneration pool is set by an independent authority not associated with any of the local authorities
 - If a local authority pays a lower level of remuneration increase for the 2011/12 year than has been set by the Remuneration Authority, it could create a situation where a larger and perhaps less publicly acceptable adjustment would need to be made in the 2012/13 year.
12. The proposed 2011/12 remuneration for the Waikanae Community Board is as follows:

Waikanae Community Board			
Position	Annual Salary	No.	Total Annual Salaries \$
Chairperson	12,882	1	12,882
Member	6,573	3	19,719
Total Annual Salaries			32,601
50% charged to indicative pool			16,300

CONSIDERATIONS

Elected Members' Remuneration

13. Given that there has been no change to the relevant parts of the Governance Structure since November 2010 it is recommended that the 6.7% increase in the remuneration pool be applied to the 2010/11 Community Board remuneration levels.
14. It should be noted that the 6.7% increase followed a nil increase in the previous year which equates to an average of 3.35% per annum over the 2 years.

Draft Expenses and Allowances Policy

15. There is no change proposed to the Draft Expenses and Allowances Policy
16. The Community Boards need to consider and make a recommendation back to the Council on the draft Remuneration Proposal and the draft Expenses and Allowances Policy at this meeting. Any comments or issues raised will be reported back to the Council for Council's consideration before Council adopts the final Elected Members' Remuneration Proposal for the period up until 30 June 2012 on 2 June 2011.
17. If there are any dissenting views by any of the Community Boards or the Council they will be recorded and forwarded to the Remuneration Authority so that the Remuneration Authority can make a final decision on the Elected Members Remuneration Proposal in June 2011 for the period up until 30 June 2012.

Financial Considerations

18. For each Community Board their Elected Members' remuneration is funded 50% from each respective area and 50% Districtwide.

Legal Considerations

19. The Council must comply with the determinations set by the Remuneration Authority for this Council in relation to Elected Members' remuneration.

Consultation

20. Further consultation is being undertaken with each Community Board.

Policy Implications

21. Once the final Remuneration Proposal is approved by the Remuneration Authority this will be the new Elected Members' Remuneration Policy for this Council up until 30 June 2012.

Publicity Considerations

22. A press release has been prepared in relation to the draft Remuneration Proposal.

Other Considerations

23. There are no other considerations.

Delegations

24. The Waikanae Community Board has Delegated Authority to consider this issue.

Reference D.7 in the Governance Structure which reads:

Other

7.20 Authority to undertake any other responsibilities that are delegated to it by the territorial authority (Section 52, Local Government Act 2002 refers).

RECOMMENDATIONS

25. That the Waikanae Community Board recommend to the Council that the following Remuneration Proposal for the Waikanae Community Board for the period up until 30 June 2012 be approved and forwarded to the Remuneration Authority for approval:

Waikanae Community Board			
Position	Annual Salary	No.	Total Annual Salaries \$
Chairperson	12,882	1	12,882
Member	6,573	3	19,719
Total Annual Salaries			32,601
50% charged to indicative pool			16,300

26. That the Waikanae Community Board adopts the Draft Expenses and Allowances Policy as set out in Appendix 2 to the report FIN-11-193.

Report prepared by:

Warwick Read

GROUP MANAGER FINANCE

Appendix 1 – Copy of report FIN-11-193 with appendices.

Appendix 2 – Amended Draft Remuneration Proposal including 6.7% increase.