

**Mayor and Councillors
COUNCIL**

6 DECEMBER 2018

Meeting Status: **Public**

Purpose of Report: For Decision

**ELECTED MEMBERS REMUNERATION EXPENSES AND
ALLOWANCES POLICY 2018-2019**

PURPOSE OF REPORT

- 1 This report presents to the Council for adoption the Elected Members Remuneration Expenses and Allowances Policy 2018-2019.

DELEGATION

- 2 Council has the authority to consider this matter.

BACKGROUND

- 3 Formerly the process for producing a policy governing Elected Members Expenses and Allowances involved a review and approval by the Remuneration Authority. The policy governing Elected Members Expenses and Allowances has simply consisted of an approval letter from the Remuneration Authority and a completed application form, signed by the Chief Executive, of answers to questions about expenses and allowances. Remuneration was therefore not included in the policy but was available separately in the Determination from the Remuneration Authority.
- 4 Following consultation in 2017 on long term changes the Authority was considering in relation to Elected Members remuneration and expenses they advised that existing policies approved in 2016 did not need to be updated and provided to the authority when determinations were implemented. Rather they advised that an up to date policy should be created once the long-term changes were confirmed.
- 5 In July 2018 the Remuneration Authority issued Local Government Members (2018/19)(Local Authorities) Determination 2018. In an Email accompanying the determination, sent to Mayors, Chairs and CEOs, the Remuneration Authority advised of a change in procedure. There was no longer a requirement for expense policies to be sent to the Authority for checking. Instead, the Authority recommended that Council Auditors check the policy and randomly check its implementation. (Appendix 2)
- 6 In June 2018 the Remuneration Authority confirmed the results of its consultation on proposed long term changes which include a changed approach to setting remuneration for local government elected members. From the time that new Councils assume office following the 2019 local government elections, the Authority will be implementing a "governance pool" allocated to each council. The governance pool will provide the total amount that can be paid in remuneration to councillors (aside from the mayor whose remuneration will continue to be determined by the Authority). At this point the Authority has not decided to apply the pool to Community Board members.

- 7 By early 2019 Councils will have been advised of the governance pool that they will be allocated following the 2019 local government election. They will be asked by the Authority to provide a formal response outlining how the pool will be allocated to roles within their council following the 2019 election.
- 8 Part One of the 2019/20 determination will give similar salary increases to those in 2018/19 and these will apply until the new council assumes office following the election. Part Two of the 2019/20 determination will introduce the governance pool which will apply for each council following the 2019 local government election. New councils elected in 2019 will have the opportunity to amend proposals submitted to the Authority by the outgoing councils.

ISSUES AND OPTIONS

Issues

- 9 Formerly the policy governing Elected Members Expenses and Allowances has simply consisted of an approval letter from the Remuneration Authority and a completed application form of answers to questions about expenses and allowances which was signed by the Chief Executive. (Appendix 3)
- 10 The Authority has advised that it no longer requires allowance and reimbursement policies to be sent to them for checking. It recommends that Council Auditors check the policy and randomly check its implementation.
- 11 There has been no single document providing comprehensive, clear information on Elected Member remuneration, expenses and allowances, prepared in a user friendly style that can be easily referenced by Elected Members and staff.
- 12 There are significant changes coming to the way in which Councillors are remunerated. The single policy document will provide a format which can easily incorporate new information in a clear and accessible way.
- 13 The draft Elected Member remuneration Expenses and Allowances Policy 2018-2019 includes new information on the following:
 - Allowance for use of home broadband
 - Allowance for use of own mobile phone
 - Change in vehicle mileage allowance
 - Incidentals
 - Gifts
 - The provision and use of a Council email address

CONSIDERATIONS

Policy considerations

- 14 The Elected Members Remuneration Expenses and Allowances Policy (as at Appendix 1) replaces the Elected Members Allowances and Reimbursement Policy 1 July 2016- 30 June 2019 (as at Appendix 2).
- 15 The implementation of this policy will be randomly checked by the Council Auditors as part of the audit process.
- 16 Changes will be captured in the document version control together with the date adopted by Council.

Legal considerations

- 17 There are no additional legal considerations.

Financial considerations

- 18 Under the Local Government Amendment Act 2012 the local authority must “demonstrate prudent management of its revenues, expenses, assets, liabilities, investments, or general financial dealings.”
- 19 The costs of elected member remuneration, expenses and allowances has been budgeted for.

Tāngata whenua considerations

- 20 There are no tāngata whenua considerations.

SIGNIFICANCE AND ENGAGEMENT

Significance policy

- 21 This matter has a low level of significance under Council’s Significance and Engagement Policy.

Engagement planning

- 22 An engagement plan is not needed to implement this decision.

Publicity

- 23 The signed policy will be available to view on the Kāpiti Coast District Council website.

RECOMMENDATIONS

- 24 That Council adopts the Elected Member Remuneration Expenses and Allowances Policy as at Appendix 1 of report Corp-18-675.

Report prepared by	Approved for submission	Approved for submission
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Leyanne Belcher Democracy Services Manager	Janice McDougall Acting Group Manager Corporate Services	Kevin Black Acting Group Manager Strategy & Planning
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ATTACHMENTS

Appendix 1 Elected Members Remuneration Expenses and Allowances Policy 2018-2019

Appendix 2 Extract from Remuneration Authority email to Mayors, Chairs and CEO's which introduced the Local Government Members (2018/19)(Local Authorities) Determination 2018

Appendix 3 Elected Members Allowances and Reimbursement Policy 1 July 2016-30 June 2019



ELECTED MEMBER REMUNERATION EXPENSES AND ALLOWANCES POLICY 2018-2019

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Policy objective

This policy clarifies payment of elected member salaries, allowances and reimbursements to October 2019.

Elected Members are remunerated in accordance with legislation oversighted by the Remuneration Authority. (See Local Government Members (2018/19) (Local Authorities) Determination 2018)[The Determination]. Determinations also stipulate the parameters around the payment of allowances and other fees. Within these parameters councils can develop their own policies.

Principles

The payment of allowances and expenses is:

- in line with legislation
- related to the conduct of Council business by Elected Members while acting in their role
- payable under clear rules communicated to all claimants
- over sighted by senior management and audit
- adequately documented
- reasonable and conservative in line with public sector norms
- does not extend to any expenses related to electioneering

(Fees related to District Licencing Committee hearings are not included in this policy.)

A. Remuneration – Mayor and Councillors

Role	Annual remuneration
Mayor	\$122,899
Deputy Mayor	\$45,945
Committee Chairperson (3)	\$44,178
Appeals Committee Chairperson	\$38,876
Chairperson, Grants Allocation Committee	\$38,876
Councillor	\$35,342

B. Remuneration – Community Board Chairs and Members

Board	Chairperson	Member
Ōtaki	\$14,951	\$7,475
Paekākāriki	\$7,791	\$3,896
Paraparaumu-Raumati	\$19,584	\$9,792
Waikanae	\$16,005	\$8,002

The following sections detail the payment of Elected Member reimbursements and allowances.

C. Elected Member Expenses and Allowances

1 Accommodation	<p>a) while at conferences or training events or other Council business – Council will pay for accommodation where applicable that balances cost-effectiveness with proximity to the event</p> <p>b) private/provided by friends/relatives – Council has no involvement</p>
2 Air Dollars/Points	Air points/air dollars earned on travel, accommodation etc. paid for by the Council are available for the private use of members. Due to the low level of air travel this is insignificant.
3 Airline Clubs	Council doesn't pay or reimburse for these memberships.
4 Air Travel	<p>a) Generally air travel bookings are made by staff upon approval and in accordance with Council policy.</p> <p>b) If Elected Members make their own bookings, domestic and international travel taken for Council-related business will be reimbursed up to the level of economy class fares; if the elected member wishes to travel at a different class they must meet the cost of the difference.</p>
5 Carparks	At the beginning of the triennium, elected members will receive a parking permit which must be displayed in their car when they are attending Council business at the Council Administration building, Paraparaumu. This permit is non-transferable and must be returned at the end of the triennium.
6 Communications Technology	<p>a) Broadband – All elected members will receive a \$400 allowance for use of home broadband for Council business for the period 1 July 2017 to 30 June 2018 in line with the Determination. (Where an elected member has not been a member for the whole for the 2017/18 year the amount paid would be pro-rated).</p> <p>b) Consumables (ink cartridges/paper) – Council will provide these on request.</p> <p>c) Email – at the beginning of the triennium Elected Members are provided with a Council email address which is not to be used by members for any personal business.</p> <p>d) Mobiles – Councillors, Community Board Chairs and</p>

		<p>Community Board members, who use their own phone for Council-related business, are entitled to a \$400 allowance for the 2018/19 year. (Where an elected member is not a member for the whole for the 2018/19 year the amount paid will be pro-rated). A member may opt, instead of receiving the \$400 allowance, to provide telephone records and receipts clearly showing which phone calls were made on Council business, in which case they would be reimbursed for the actual costs of the phone calls.</p> <p>e) Tablets – Councillors and Community Board Chairs will be provided with tablets at the beginning of the triennium for Council-related use, although a reasonable degree of private use is acceptable. For Community Board Members a communications allowance of \$190 shall be paid to each member per annum to cover the use of a personal computer and printer.</p>
7	Entertainment & hospitality	Reasonable costs will be reimbursed but a claim for reimbursement will need to be put in writing for approval by the Mayor, the Chief Executive and the Financial Controller.
8	Gifts	Gifts of any kind (e.g. sports or other event tickets) and value should be declared to the Mayor's Personal Assistant for entry into the Gift Register.
9	Incidentals	Reasonable expenses incurred in the pursuit of Council business will be reimbursed on presentation of an expense claim supported with the relevant invoices/receipts.
10	Meals	This excludes Council catering for meetings. Reasonable costs for meals and sustenance are reimbursed when travelling on Council business on presentation of receipt/s.
11	Professional development	Registration costs for attendance at conferences, seminars and training events will be paid for by the Council, in accordance with the elected members' induction, training and development programme.
12	Stationery	Elected members will be supplied with business cards. Any other stationery required for Council business will be considered on request.
13	Subscriptions & memberships	The costs of these will not be met by the Council.

14 Vehicles

- a) Mileage - Reimbursements apply according to the following conditions:
 - i. Travel must relate to attendance at Council/Committee meetings, Community Board meetings, conference/seminars relating to local government or attendance at community organisation meetings as an elected member.
 - ii. The travel must be by the most direct route that is reasonable in the circumstances.
 - iii. For a petrol or diesel vehicle:
76 cents for the first 14,000 km per annum,
26 cents for travel over 14,000 km per annum.
 - iv. For a petrol hybrid vehicle:
76 cents for the first 14,000 km per annum,
18 cents for travel over 14,000 km per annum.
 - v. For an electric vehicle:
76 cents for the first 14,000 km per annum,
9 cents for travel over 14,000 km per annum.
- b) Private use of vehicle – Elected members may opt to use their own vehicles to travel to training events or conferences if the reimbursement for mileage would be cheaper than air travel.
- c) Rental cars – the Council will not meet the costs of using these.
- d) Taxis - the Council will reimburse reasonable costs for the use of taxis associated with training events and Council business.

D. The Mayor

1	Carparks	The Mayor has a dedicated parking space.
2	Communications Technology	The Mayor is provided with a mobile phone for the triennium with reasonable private use being acceptable.
3	Subscriptions & memberships	The subscription for the Mayor's role as Justice of the Peace will be paid by the Council.
4	Vehicle	The Mayor is provided with a vehicle for private and business use during the term of office. <i>[A local authority may provide (a) a motor vehicle or (b) a vehicle mileage allowance. If a motor vehicle is provided for private use annual remuneration must be adjusted in accordance with the Determination. The maximum purchase price is also covered by the Determination.]</i>

E. Fees related to Hearings

1	Chairperson	A member of a local authority who acts as the chairperson of a hearing is entitled to a fee of up to \$100 per hour.
<hr/>		
2	Member	A member of a local authority who is not the chairperson of a hearing is entitled to a fee of up to \$80 per hour.
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3	Mayor or Acting Mayor	These fees are not available to the Mayor or to an acting Mayor who is paid the mayor's remuneration and allowances.
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DOCUMENT VERSION CONTROL – AMENDMENTS DURING 2016-2019 TRIENNIUM

NO	AMENDMENT/S SUMMARY	ADOPTED BY COUNCIL
1		

Signed.....Date:.....
CHIEF EXECUTIVE

20 July 2016



Mr Patrick Dougherty
Chief Executive
Kapiti Coast District Council
Private Bag 601
PARAPARAUMU 5254



Dear Mr Dougherty

Elected Members Allowance and Reimbursement Policy 1 July 2016 – 30 June 2019

Please find enclosed your Council's approved Elected Members Allowance and Reimbursement policy.

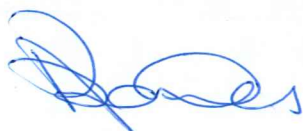
Information about allowances and withholding tax

Whilst the Remuneration Authority does not give tax advice, we understand that communications and mileage allowances are no longer subject to withholding tax. We further understand that Local Government New Zealand will shortly circulate a communication to that effect. To avoid the need to re-submit your policy we have deleted references to taxation as part of our approval.

Making information available to the public

Some councils have chosen not to specify current allowance rates in their policy. We recommend that those councils provide a link on their website to the Remuneration Authority's determination to help members of the public to find the current rates if they wish to do so.

Yours sincerely



Angela Foulkes
Deputy Chair

cc Vyvien Starbuck-Maffey, Democracy Services Manager



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REMUNERATION AUTHORITY

Signed: 

Date: 19/7/2016

May 2016

Remuneration Authority
P O Box 10084
WELLINGTON 6143

APPLICATION FOR APPROVAL OF EXPENSE RULES (INCLUDING REIMBURSING ALLOWANCES) APPLICABLE TO ELECTED MEMBERS OF LOCAL AUTHORITIES THE PERIOD 1 JULY 2016 TO 30 JUNE 2017

1. PLEASE COMPLETE ALL SECTIONS OF THIS APPLICATION FORM
2. INCLUDE ANY EXPENSES RULES/ALLOWANCES PAYABLE TO MEMBERS OF ANY COMMUNITY BOARDS

SECTION 1 – NAME OF LOCAL AUTHORITY

Kāpiti Coast District Council

Contact person for enquiries:

Name: Vyvien Starbuck-Maffey: Democracy Services Manager

Email: vyvien.starbuck-maffey@kapiticoast.govt.nz

Telephone: 04 296 4700

Extension: X728

SECTION 2 – DOCUMENTATION OF POLICIES

List the local authority's policy documents which set out the policies, rules and procedures relating to the expenses and allowances payable to Elected Members.

Document name

Reference no. (if any)

Date

(These documents do not need to be submitted with this application but you may do so if you wish.)

SECTION 3 – AUTHENTICATION OF EXPENSE REIMBURSEMENTS AND ALLOWANCES

Summarise the principles and processes under which the local authority ensures that expense reimbursements and allowances payable in lieu of expense reimbursements

- are in line with Council policies
- have a justified business purpose
- are payable under clear rules communicated to all claimants
- have senior management oversight
- are approved by a person able to exercise independent judgement
- are adequately documented
- are reasonable and conservative in line with public sector norms
- are, in respect of allowances, a reasonable approximation of expenses incurred on behalf of the local authority by the Elected Member
- are subject to internal audit oversight.

SECTION 4 – VEHICLE PROVIDED

Are any Elected Members provided with use of a vehicle, other than a vehicle provided to the Mayor or Chair and disclosed in the remuneration information provided to the Remuneration Authority?

YES/NO

(If Yes – provide full details here.)

SECTION 5 – MILEAGE ALLOWANCES

1. Rate(s) of allowances paid per kilometre (as approved and updated by the Remuneration Authority from time to time):

74 cents for the first 5,000kms per annum

37 cents for any distance over 5,000kms per annum

2. How rate calculated (if different from maximum set by Remuneration Authority)

3. Restrictions on mileage claims
(Summarise any restrictions on mileage claims)

Must relate to attendance at Council/Committee, Community Board Meetings, conferences/seminars relating to local government or attendance at Community Organisation meetings as an Elected Member representative.

The travel claimed must be by the most direct route that is reasonable in the circumstances.

30 kilometres threshold for mileage claims for any one trip to the Council office (ie Civic Administration building in Paraparaumu).

SECTION 6 – TRAVEL AND ACCOMMODATION

(Mileage Claims – refer Section 5)

Taxis and other transport

Are the costs of taxis or other transport reimbursed or an allowance paid? YES/NO
(If Yes, state policy. Include any policy on the use of taxi chits/taxi cards)

Only the actual costs of taxis or other transport are reimbursed.

Carparks

Are carparks provided? YES/NO
(If Yes, summarise policy including any restrictions on private use)

Only for the Mayor.

Use of rental cars

Are rental cars ever provided? YES/NO

Air Travel Domestic

Summarise the rules for domestic air travel.

*The actual cost of domestic air travel relating to Council business is reimbursed.
Generally only economy class is fully reimbursed.*

Air Travel International

Summarise the rules for international air travel (including economy class, business class, stopovers)

*The actual cost of international air travel relating to Council business is reimbursed.
Generally only economy class is fully reimbursed.*

Airline Clubs/Airpoints/Airdollars

Are subscriptions to airline clubs (such as the Koru Club) paid or reimbursed? YES/NO
(If Yes, summarise policy)

Are airpoints or airdollars earned on travel, accommodation etc., paid for by the local authority available for the private use of members? YES/NO

(Due to the low level of Air Travel this is insignificant).

SECTION 6 (CONTINUED)

Accommodation costs whilst away at conferences, seminars, etc.

Summarise the rules on accommodation costs.

Actual and reasonable costs for accommodation costs while away on Council business are reimbursed where applicable.

Meals and sustenance, incidental expenses

Summarise the rules on meals, sustenance and incidental expenses incurred when travelling. *(If allowances are payable instead of actual and reasonable reimbursements, state amounts and basis of calculation).*

Actual and reasonable costs for meals and sustenance when travelling on Council business are reimbursed.

Private accommodation paid for by local authority

Is private accommodation (for example an apartment) provided to any member by the local authority?

YES/NO

(If Yes, give details)

Private accommodation provided by friends/relatives

Are allowances payable in respect of accommodation provided by friends/relatives when travelling on local authority business?

YES/NO

(If Yes, state quantum, basis of calculation and compare with standard allowances payable)

SECTION 7 – ENTERTAINMENT AND HOSPITALITY

Are any hospitality or entertainment allowances payable or any expenses reimbursed?

YES/NO

(If Yes, summarise policy, including amounts of any allowances and basis of calculation)

Only actual and reasonable expenses are reimbursed. Approval by the Mayor, Chief Executive and Group Manager Finance.

SECTION 8 – COMMUNICATIONS AND TECHNOLOGY

Equipment and technology provided to elected member

Is equipment and technology provided to Elected Members for use at home on Council business? Only the Councillors and Chairs of Community Boards.

Mobile device (e.g. tablet or iPad)

YES/NO

Fax

YES/NO

Printer

YES/NO

Broadband

YES/NO

Second landline to house

YES/NO

Consumables and stationery

YES/NO

Mobile Phone (Mayor only)

YES/NO

Other equipment or technology*

YES/NO

*(*If Yes, specify)*

Are any restrictions placed on private use of any of the above?

YES/NO

(If Yes, describe rules)

Reasonable private use is acceptable.

SECTION 8 (CONTINUED)

Home telephone rental costs and telephone calls (including mobiles)

Are telephone rental costs reimbursed in whole or part? YES/NO

Mayor only for telephone rental (whole)

(If Yes, state percentage) %

Are telephone call expenses reimbursed in whole or part? YES/NO

(If Yes, describe process)

*Only mobile phone and toll calls relating to Council business are reimbursed.
Approval by Chief Executive and Financial Controller*

Allowances paid in relation to communication and/or technology provided by an elected member

Are any allowances paid in relation to communications and/or technology provided by the member relating to council business? YES/NO
(If Yes, in each case describe rules and explain how allowance calculated)

For Community Board Members (excluding Community Board Chairs) a communications allowance of \$190 shall be paid to each member per annum to cover the use of a personal computer and printer.

SECTION 9 – PROFESSIONAL DEVELOPMENT, CLUBS AND ASSOCIATIONS

Are any expenses reimbursed or allowances paid in respect of members' attendance at professional development courses, conferences and seminars? YES/NO
(If Yes, describe – including how any allowances are calculated)

Actual and reasonable expenses are reimbursed.

Are any expenses reimbursed or allowances paid in respect of subscriptions to clubs or associations? YES/NO
(If Yes, describe – including how any allowances are calculated)

Mayor – Justice of Peace subscription.

SECTION 10 – OTHER EXPENSE REIMBURSEMENTS AND ALLOWANCES

Are any other expense reimbursements made or allowances paid? YES/NO
(If Yes, describe – including how any allowances are calculated)

Where an elected member chooses to use their own vehicle for travel to conferences then the Council may reimburse the equivalent airfare rather than pay the mileage allowance for the distance travelled (whichever is the lowest in cost).

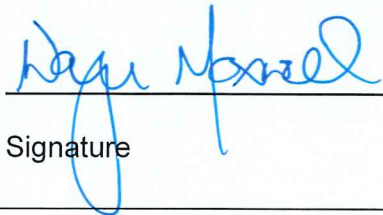
~~SECTION 11 – TAXATION OF ALLOWANCES~~

~~Are any allowances (as distinct from reimbursements of actual business expenses) paid without deduction of withholding tax? YES/NO~~
~~(If Yes, specify amount and nature of allowance)~~

SECTION 12 – SIGNATURE

I seek approval from the Remuneration Authority, in relation to the **period 1 July 2016 to 30 June 2017**, of the expense reimbursement rules and payments of allowances applicable to Elected Members as set out in this document.

The approved document and any attachments will be available for public inspection in accordance with the Remuneration Authority's Determination.



Group Manager Corporate Services

Signature

Designation

Date _____

From: "Fran WILDE" <Fran.Wilde@remauthority.govt.nz>

Subject: Local Government Members (2018/19) (Local Authorities) Determination 2018

[UNCLASSIFIED]

Greetings Mayors, Chairs and CEOs,

Attached is the Authority's determination for local government elected members which applies from July 1 2018.

...

Another change of procedure which is not referred to in the actual determination is that we no longer require councils to send us their expense policies for checking. The Authority feels strongly that councils should make their decisions and check that they are complying with the provisions of the determination without consulting us. We recommend that you ask your council auditor to check your expenses policy and, if this is not already being done, perhaps randomly to check its implementation.

...

Regards

Fran Wilde

CHAIR

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