

Report No:	RCN11-11-03
File No:	C800
Date:	25 October 2011
Decision Required	

REPORT SUMMARY

Report to: Full Council
Meeting Date: 3 November 2011
Report Author: Dennis Bush-King, Acting Chief Executive
Subject: **Elected Members: Expenses, Allowances and Reimbursement Rules**

EXECUTIVE SUMMARY

The Remuneration Authority has issued the Local Government Elected Members (2011/12) (Certain Local Authorities) Determination 2011. As well as dealing with elected member salaries, the Determination provides for the payment to elected members of reimbursement of expenses and the payment of allowances. These expenses and allowances are the subject of this report.

RECOMMENDATION/S

Overall, staff are recommending that the previous allowances and expenses for 2010/11 be continued, with exceptions to the following three areas: Communications, Vehicle Mileage, and Travel Time. Staff have taken the opportunity to clarify some other features of the way in which expenses and allowances are dealt with. The proposed rules for 2011/12 to be submitted to the Remuneration Authority for approval are set out in Appendix 2. The differences between the previous wording and proposed wording is shown in blue text in Appendix 2.

DRAFT RESOLUTION

That the Tasman District Council recommends to the Remuneration Authority that the Expenses, Allowances and Reimbursement Rules dated November 2011 and attached as Appendix 2 to report RCN11-11-03 be approved.

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1. Purpose

- 1.1 To provide Council with the necessary background information concerning the Remuneration Authority's determination concerning elected member expenses and allowance and to approve for Council's Expenses, Allowances and Reimbursement Rules dated November 2011.

2. Background

- 2.1 The Remuneration Authority is the statutory body responsible for approving local government elected members reimbursement and allowances. The Remuneration Authority has issued its Determination concerning elected member expenses and allowances which took effect from 1 July 2011 (Appendix 1). In line with the determination we have amended the rules under which we are required to operate and these are attached as Appendix 2. A copy of these rules, once approved by Council, must be made available for public inspection. The three main changes to impact on members are:
- a) Mileage rates – The Remuneration Authority has set a two tier mileage rate enabling claims at 74 cents for up to 5,0000 kilometres and thereafter the rate drops to 35 cents per kilometre. The Council is also required to set a threshold travel distance (which must not be less than 30 kilometres) meaning members can only claim mileage for the difference between the agreed threshold and the actual distance travelled.
 - b) Communications Allowance – Under our old rules allowances were paid for facsimile, internet, and computer services. The determination has fixed any allowance for communication services at \$750.00 annually. The communication equipment covered is limited to any one or more of a mobile phone, computer or ancillary equipment, or internet connection.
 - c) Travelling Time – The determination now allows members to claim travel time in excess of an agreed threshold at a maximum rate of \$15.00 per hour. The threshold must not be less than two (2) hours. This might be seen by some to compensate for the reduced mileage for those members who live some distance away from meeting venues but

at best members from Takaka travelling 1½ hours each way will only be able to claim for 1 hour if the threshold is set at the minimum.

The amended rules have been drafted on the basis of using the minimum thresholds in the Remuneration Authority's Determination.

3. Financial/Budgetary Considerations

- 3.1 Elected member expenses and allowances are covered under the Governance budget with Community Board member expenses coming from the Community Board budget.

4. Recommendation/s

- 4.1 Overall, staff are recommending that the previous allowances and expenses for 2010/11 be continued, with exceptions to the following three areas: Communications, Vehicle Mileage, and Travel Time. Staff have taken the opportunity to clarify some other features of the way in which expenses and allowances are dealt with. The proposed rules for 2011/12 to be submitted to the Remuneration Authority for approval are set out in Appendix 2. The differences between the previous wording and proposed wording is shown in blue text in Appendix 2.

5. Draft Resolution

That the Tasman District Council recommends to the Remuneration Authority that the Expenses, Allowances and Reimbursement Rules dated November 2011 and attached as Appendix 2 to report RCN11-11-03 be approved.

Dennis Bush-King
Acting Chief Executive

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Appendices:

- Appendix 1 Local Government Elected Member (2011/2012) (Certain Local Authorities) Determination 2011.
Appendix 2 Tasman District Council Expenses, Allowances and Reimbursement Rules November 2011

**TASMAN DISTRICT COUNCIL
EXPENSES, ALLOWANCES AND REIMBURSEMENT RULES NOVEMBER 2011**

1. INTERPRETATION

In these expenses rules:

Chief Executive and **Corporate Services Manager** mean the Chief Executive and Corporate Services Manager of the Council

Community Board means a Community Board situated within Tasman District
Council means Tasman District Council

Elected member means the elected members of Tasman District Council and Community Boards situated within Tasman District

Mayor means the Mayor of the Council

Member of the Council means an elected member of the Council, including the Mayor. For the avoidance of doubt, in these rules 'Member of the Council' does not include a Member of a Community Board

Member of a Community Board means an elected member of a Community Board

2. COUNCIL PROCESS FOR PAYMENT

2.1 Payment for allowances and reimbursements require a claim form to be signed and submitted. Elected member claims will be processed and paid monthly. Claim forms for each month are to be received within seven (7) days following the end of the month. Claims submitted after three months will not be entertained except in extraordinary circumstances.

2.2 All claims by elected members (except for the Mayor) for reimbursement of expenses or payment of allowances in accordance with these rules, together with supporting documents including receipted tax invoices, shall be submitted to the Corporate Services Manager for approval. The Mayor shall submit such claims to the Chief Executive for approval.

3. PRINCIPLES

Reimbursement of expenses and allowances should adhere to the following principles:

- Are in line with council policies
- Have a justified business purpose
- Have senior management oversight
- Are payable under clear rules communicated to claimants

- Are approved by a person able to exercise independent judgement
- Are adequately documented
- Are reasonable and conservative in line with public sector norms

4. VEHICLES

Except for the Mayor, no elected members are provided with the use of a vehicle by the Council.

5. VEHICLE MILEAGE ALLOWANCE

5.1 The vehicle mileage allowance reimbursed in any one year to an elected member as determined by the Remuneration Authority is

- (a) \$0.74 per kilometre for the first 5,000 kilometres:
- (b) \$0.35 per kilometre for any distance over 5,000 kilometres.

5.2 Every reasonable effort should be made by elected members to share transport in order to reduce costs.

5.3 A member of the Council may make a mileage claim for travel to and from the member's residence if the travel is in his or her own vehicle, by the most direct route reasonable in the circumstances, and is:

- (a) for the purposes of attending a meeting of the Council, or a committee of the Council, or a Community Board, Long Term Plan or Annual Plan hearings; or
- (b) on other Council business.

5.4 Travel must be in excess of 30 kilometres in any one day, and the allowance is for the distance in excess of the 30 kilometres.

5.4 Nothing in clause 5 shall apply to the Mayor if the Mayor is provided with a vehicle by the Council.

5.5 A member of a Community Board may make a mileage claim for travel to and from the member's residence if the travel is in his or her own vehicle, by the most direct route reasonable in the circumstances, and is:

- (a) for the purpose of attending a meeting of the Council, a committee of the Council, or the Community Board, on Community Board business;
- (b) for travel to briefings, working parties, and information workshops where attendance has been requested by Council officers or by resolution of the Council; or
- (c) for travel:

- (i) to a specific event pursuant to a resolution of the Community Board;
- (ii) pursuant to a request or authorisation from the Mayor or Chief Executive;
- (iii) to official functions and events of the Community Board;
- (iv) to meetings of residents, ratepayers or community groups in the capacity of a Member of the Community Board;
- (v) to meetings called by Council Officers to discuss Council business;
- (vi) to National and Zone Community Board meetings and conferences;
or
- (vii) to agenda setting meetings of the Community Board.

6. TRAVEL TIME ALLOWANCE

- 6.1 A travel time allowance is payable for travel by members (excluding the Mayor), including travel to and from the member's residence if the travel is on Council business and by the quickest form of transport reasonable in the circumstances.
- 6.2 Travel time must be in excess of two (2) hours for any one event in any one day, and the allowance is for time in excess of the two (2) hours.
- 6.3 The amount payable for the allowance is \$15.00 per hour.

7. TRAVEL AND ACCOMMODATION

- 7.1 **Taxis:** A taxi fare paid by a member of the Council on Council business outside of the Nelson-Tasman region shall be reimbursed only if the member has obtained the approval of the Chief Executive or Corporate Services Manager.
- 7.2 **Car parks:** With the exception of the Mayor no car parks are provided to elected members.
- 7.3 **Rental cars:** The cost of a member of the Council hiring a rental car on Council business within, or outside of, the Nelson-Tasman region shall be reimbursed only if the member has obtained the approval of the Chief Executive or the Corporate Services Manager.
- 7.4 **Domestic air travel:** The cost of domestic air travel by a member of the Council on Council business shall be reimbursed only if the member has obtained the approval of the Chief Executive or the Corporate Services

Manager. Where possible bookings should be made to ensure the Council benefits from discounts (if any).

- 7.5 **International air travel:** The cost of international air travel by a member of the Council on Council business shall be reimbursed only if the Council has previously resolved to do so. Where possible bookings should be made to ensure the Council benefits from discounts (if any).
- 7.6 **Airline clubs/airports:** The Mayor may claim reimbursement of the cost of the Mayor's Koru Club membership. Otherwise, subscriptions by elected members to airline clubs (such as Koru Club) shall not be reimbursed or an allowance paid.
- 7.7 **Accommodation:** The cost of accommodation for a member of the Council on Council business, or a member of a Community Board on Community Board business, outside of the Nelson – Tasman region shall be reimbursed only if the member has obtained the approval of the Chief Executive or the Corporate Services Manager. Where possible bookings should be made to ensure the Council benefits from discounts (if any). [No reimbursement for purchases from hotel mini-bars or charges for in-room services.](#)
- 7.8 **Meals:** Where a Council meeting adjourns for lunch and a member of the Council buys his or her lunch, and where a Community Board meeting adjourns for lunch and a member of the Community Board buys his or her lunch, then the member may claim reimbursement of the cost of their lunch up to a maximum of \$10.00. Otherwise, the cost of meals paid for by a member of the Council or a member of a Community Board shall be reimbursed only if the member has obtained the approval of the Chief Executive or the Corporate Services Manager. Reimbursement of the cost of meals must be accompanied by receipts and details of the reason for the claim.
- 7.9 **Reimbursement for accommodation:** If it is unreasonable for an elected member to travel to his or her home after a meeting, the elected member may claim a meal and accommodation allowance. The maximum amount of the allowance is [\\$180.00](#) per night, reimbursable with receipts.
- 7.10 **Private accommodation provided by friends/relatives:** An elected member may arrange private accommodation with friends/relatives of the elected member when they are travelling on Council or Community Board business. This shall be reimbursed at a rate of [\\$55.00](#) per night and is all inclusive of accommodation, transport to and from the private residence and meals. No other expenditure shall be claimed by the elected member and no receipts are required for reimbursement to occur.
- 7.11 **Entertainment and hospitality:** Except for meals (refer rule 17) no hospitality and entertainment allowances are payable to elected members.
- 7.12 **Communications and technology:** The Council provides the following equipment to members of the Council:

- Notebook – Mayor only
- Mobile phone – Mayor and Deputy Mayor only

7.13 No restrictions are placed on private use of any of this equipment.

7.14 **Communications Allowance:** The Council pays the telephone account for mobile phones that the Council provides to the Mayor and Deputy Mayor. There is no reimbursement of elected member's telephone rental costs

7.15 Elected members are entitled to claim an annual communications allowance up to \$750.00 (ie \$62.50 per month).

7.16 The reasonable cost of toll calls made by elected members on their home phone on Council or Community Board business, and the reasonable cost of calls made by elected members (other than the Mayor and Deputy Mayor) on their mobile phone on Council or Community Board business, will be reimbursed to the member on presentation to the Chief Executive or Corporate Services Manager of a telephone account with details showing to whom the call was made.

8. PROFESSIONAL DEVELOPMENT, CLUBS AND ASSOCIATIONS

8.1 The cost of a member of the Council or a member of a Community Board registering to attend a conference or seminar on Council or Community Board business shall be reimbursed only if the Council or Community Board has previously resolved to do so. Otherwise, no expenses are reimbursed or allowances paid in respect of elected members attendance at professional development courses, conferences and seminars.

8.2 Except as allowed under rule 7.6, no expenses are reimbursed or allowances paid in respect of subscriptions to clubs or associations.

9. OTHER EXPENSE REIMBURSEMENT AND ALLOWANCES

9.1 Other than with the approval of the Chief Executive or the Corporate Services Manager no other expense reimbursements are made or allowances paid, to elected members.

9.2 Certain items have been confirmed as not reimbursable as follows:

- a. increased clothing standard because of attendance at Council and other meetings;
- b. constituent expenses;
- c. lost time or the additional payments incurred in having normal work undertaken by someone else;
- d. childcare;
- e. personal subscriptions to magazines;, clubs and organisations;

f. hospitality extended to constituents in private home on Council business and community contacts; and
g spouses costs in attending functions.

9.3 Council does not reimburse costs for stationery. However, stationery is available from Council for Council business. Elected members who require items of stationery for Council business should request this through the Mayor's Executive Assistant.

10. TAXATION OF ALLOWANCES

10.1 No allowances (as distinct from reimbursement of actual business expenses) are paid without deduction of withholding tax.

11. MATTERS NOT COVERED

11.1 Any matters not covered by the above rules shall be decided by the Mayor, Chief Executive and Corporate Services Manager in accordance with the principles set out in clause 2.