

Councillors' Allowances and Reimbursements Policy

Canterbury Regional Council

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1. Introduction

Section 6 of the Local Government Act 2002 requires the Remuneration Authority to determine the “remuneration, allowances and expenses” payable to Councillors of local authorities. Section 6 further states that the Remuneration Authority may approve the rules under which expenses are reimbursed to Councillors.

Remuneration, allowances and expense reimbursements not determined by the Remuneration Authority cannot be paid.

The Remuneration Authority advised in March 2007 that they had reviewed their approach to the approval of expense rules and reimbursing allowances in the light of their experience over the last three years. In doing so the Remuneration Authority advise the following:

1. *The Remuneration Authority is required to satisfy itself that its determinations on the remuneration of members are not distorted by the payments of expense reimbursements or allowances.*
2. *Local authority members carry out their responsibilities on a diverse basis and in accordance with local conditions. A “one size fits all” approach would be inappropriate and thus approvals on a local authority by local authority basis should continue.*
3. *There are, however, some common principles and guidelines which, as public entities, all local authorities need to follow when reimbursing expenses or paying allowances, including those set out in the Auditor-General’s 2007 publication “Controlling Sensitive Expenditure: Guidelines for Public Entities” (available at www.oag.govt.nz). If those principles and guidelines are followed the risk of distortion (paragraph 1) is significantly reduced.*
4. *The Remuneration Authority approval should be based on sufficiently detailed information to enable the Authority to have satisfied itself that no distortion is occurring. Accordingly, that information needs to be provided by the local authority in a standard format determined by the Remuneration Authority.*
5. *A member of the public exercising their right to inspect the approved expense reimbursement rules (including the payment of reimbursing allowances) should be able to reach an informed view of the local authority’s policies and practices.*
6. *The local authority, the Remuneration Authority, and the public should have access at any time to one, up to date, approval document.*

The following Remuneration Authority approval process is effective from 1 July 2007:

- (a) Each local authority will now be required to submit its proposed expense rules (including reimbursing allowances) for approval using a standard format.
- (b) The last day for submission will be 30 April 2007.

- (c) The approval will have effect from 1 July 2007. Incoming councils following the 2007 elections will need to confirm or seek approval to amend the rules.
- (d) Applications following changes to expense rules or reimbursing allowances can be made at any time by submitting a new application form fully completed and with the changes highlighted.
- (e) Subject to (d), the Remuneration Authority intends that approvals will be part of the annual cycle of determinations. The Remuneration Authority will provide application forms each year for that purpose.

In developing this policy, a key factor has been administrative efficiency. Therefore, where it is possible to do so, an effort has been made to provide standard allowances based on a fair and reasonable rate for the costs incurred, rather than requiring a claim to be made.

2. Related Guidelines and Policy Documents

- Office of the Auditor-General publication – “Controlling sensitive expenditure: Guidelines for public entities” is available at www.oag.govt.nz
- Rules for Reimbursing Expenses of Elected Members of Local Authorities – Amended Approval Process and Application Form. (Remuneration Authority, 14 March 2007)
- Council Fraud Policy and Procedures (Draft to April 2007 Council)

3. Council Process for Payment of Allowances and Reimbursements

Payment for allowances and reimbursements require a claim form to be signed and submitted.

Councillor claims are processed and paid monthly.

- Claim forms are to be submitted to the Manager Secretariat who will vet, approve and arrange payment into members' bank accounts.
- Claim forms for each month are to be received within 7 days following the end of the month.
- Claims submitted after three months will not be entertained except in extraordinary circumstances.
- All reimbursement claims are to be supported with a detailed receipted tax invoice. It is not sufficient for payments made by credit card or EFTPOS docket to be supported by only the credit card/EFTPOS receipt.
- Payment will be made monthly by direct credit.

4. **Vehicles**

4.1 **Chairperson's car**

The Chairperson of the Council will be provided with a vehicle. If a Chairperson elects to have the vehicle available for private use, a deduction will be made from their salary as determined by the Remuneration Authority.

4.2 **Vehicle Provision**

Generally, the Council does not provide Council vehicles for members attending Council/Standing Committee meetings, except for the Chairperson of the Council.

5. **Mileage Allowances**

5.1 **Mileage Rate**

The Remuneration Authority determines the maximum mileage rate payable and reflects both cost recovery and an element of remuneration of travelling time. Currently, a mileage allowance of 70 cents per kilometre for all mileage incurred on "Council business" is paid and this is the maximum amount allowable.

Councillors are to include on the monthly claim form details of all meetings (including Council/Committee) for which a mileage allowance is being claimed. Reimbursement will only be made for mileage listed on the claim form. Sufficient details relating to "Council Business" meetings are to be included.

5.2 **Mileage for "Council Business"**

Subject to the interpretation and exceptions listed below, Councillors are entitled to a mileage allowance when using their own vehicle for "council business".

Interpretation

With respect to mileage allowances, the term "council business" includes attendance at the following:

- Official meetings of the Council and any committees and subcommittees
- Council/Committee workshops/briefings
- Statutory hearings
- An external event or meeting where there has been:
 - a resolution of Council or a Committee or
 - authorisation by the Council Chairperson/relevant Committee

- Formal meetings/visits within the Councillor's constituency (details to be provided)
- Seminars and training courses where the Councillor's attendance has been authorised
- Formal meetings with Mayors, territorial authority committee Chairs or elected members
- Official Councillor briefings

At no time does "council business" include events where the primary focus is on social activities, political meetings or electioneering.

Exceptions

- If the Council is providing transport, and a Councillor chooses – for personal reasons – to travel independently, they may not be entitled to a vehicle allowance.
- Where a Councillor chooses – for personal reasons – to travel by private motor vehicle to a conference or seminar outside of the Canterbury Region they will be entitled to reimbursement of the mileage travelled, up to the value of equivalent airfares.

6. Travel and Accommodation

6.1 Taxis and other transport

Other than for agreed conference/meeting attendance, there may be occasions when a Councillor requires a taxi service. Pre-approval by the Manager Secretariat (including the Taxi Company to be used) is required. Actual costs associated with approved use will be reimbursed upon production of an official receipt.

6.2 Car parks

Car parks are available for use by Councillors in the vicinity of the Kilmore Street building.

6.3 Use of Rental Cars

There may be occasions when rental cars are required for use by Councillors. Approval by the Manager Secretariat (including the Company to be used) is required.

6.4 Air Travel – Domestic

It is current practice that no one airline is favoured – the cheapest possible flight is booked to meet requirements. All travel bookings are made through the travel agency appointed by the Chief Executive.

Members requiring booking of approved air travel should arrange this with the Councillors' Executive Assistant on the Fifth Floor.

6.5 Air Travel – International

It is current practice that all international air travel will be by economy class except where exceptional circumstances arise.

It is also current practice that no one airline is favoured – the cheapest possible flight is booked to meet requirements. All travel bookings are made through the travel agency appointed by the Chief Executive.

Members requiring booking of approved international air travel should arrange this with the Councillors' Executive Assistant on the Fifth Floor.

6.6 Airline Clubs/Airpoints/Airdollars

The Council Chairman will have paid membership of one airline club.

Airpoints or Airdollars earned on travel, accommodation, etc, paid for by the council are not available for the private use of Councillors.

6.7 Accommodation costs

Councillors attending any Council, Standing Committee, Subcommittee or Council Workshop meetings are entitled to any expenses incurred in attending the meeting. Such expenses could include accommodation.

Actual and reasonable accommodation costs will be paid/refunded (upon production of receipts) where appropriate. Such costs are appropriate when a member is required to travel long distances (in excess of 100 kms one-way) to a meeting, or it is not practicable to return home on the same day, or in exceptional circumstances.

The Council has negotiated corporate rates with hotels and unless extraordinary circumstances arise members are to use these venues where appropriate. Bookings are to be made in consultation with the Councillors' Executive Assistant.

Members who choose to stay privately may claim an amount of \$50 per night.

For accommodation at approved conferences/seminars, see Section 9.

6.8 Meals and sustenance, incidental expenses

It is policy to provide a lunch for members attending meetings when the meeting or meetings extend past the lunch period.

Any reimbursement/payment of the cost of an evening meal (including alcohol) will not exceed \$45.

Costs of telephone/toll calls necessary while staying away from home may be refunded. It should be noted that some hotels add a surcharge to calls made through their system.

- Cost of one call home per night can be claimed.

- Costs of calls in contacting constituents may be refunded provided the call is for the business of the Council.

7. Entertainment and Hospitality

7.1 Annual Councillor function

The Council will make budgetary provision for one Councillor Function per year. The purpose of the function is to provide:

- A forum for building relationships between Councillors and senior staff, and
- An opportunity to give recognition to the supporting role that spouses/partners give to Councillors and senior staff.

Attendance is generally limited to Councillors and senior management staff, accompanied by spouses/partners.

If appropriate, costs of accommodation and associated meals will be paid for Councillors and partners attending the annual function.

The Chief Executive or Chairperson when deemed appropriate for the function may invite special guests.

8. Communications and Technology

8.1 Equipment and technology provided to Councillors

Councillors will be supplied with a laptop, printer and Internet connection, as appropriate, for their period of office. The Council will also supply any necessary sundry consumables. The equipment remains the property of the Council and must be returned when the Councillor leaves office.

Sundry consumables should be arranged through the Councillors' Executive Assistant. IT support will be available as appropriate.

8.2 Home telephone rental costs and telephone calls (including mobiles)

8.2.1 Mobile Telephones

The Council will provide a mobile phone for the Chairperson and cover all expenses associated with the use of that phone. The phone remains the property of the Council. The Chairperson will not receive the mobile phone allowance paid to other members.

All other Councillors who can be contacted on their own mobile telephone are entitled to an allowance of \$20 per month. This allowance is based on half the cost of the monthly rental.

The Council will not pay the purchase cost of a mobile phone for Councillors, except for the Council Chairperson.

Exceptions will be considered on a case-by-case basis by resolution of the Council and forwarded to the Remuneration Authority for approval.

8.2.2 Residential Telephone Connections

Councillors are entitled to reimbursement of the cost of a residential telephone connection or broadband connection.

If the installation of a second telephone line is necessary for council business, the Council will pay the costs of installing the second line and the Councillor will be entitled to an allowance covering the monthly rental cost. The decision about whether a second line is necessary will be made by the Chairperson of the Council in consultation with the Manager Secretariat. Councillors who have a second line installed will not be entitled to reimbursement of the cost of their first telephone line/broadband connection.

Exceptions will be considered on a case-by-case basis by resolution of the Council and forwarded to the Remuneration Authority for approval.

8.2.3 Reimbursement of call costs

The Council will reimburse costs of calls incurred in the business of the Council upon the provision of appropriate detailed accounts.

All personal calls are a cost to be borne by the Councillor.

9. Professional Development, Clubs and Associations

9.1 Conferences, courses, seminars etc.

An annual budget will be set aside for Councillor attendance at conferences/courses/seminars. (Annual LGNZ Conference not included – See below).

When considered appropriate for a Councillor to attend a conference/course/seminar at the cost of the Council, approval shall only be given for the purpose of acquiring knowledge, including new developments, or transacting business that is appropriate to that Councillor. Costs of attendance must be able to be met within the approved budgets.

Attendance will generally be authorised by resolution in a public session of a Council or Committee meeting, but may also be authorised in writing by the Council Chairperson.

Councillors who have been authorised to attend a conference, course, seminar etc. will have attendance fees, travel, accommodation and meals paid for. Unless otherwise agreed by the Manager Secretariat, all travel and accommodation will be booked through the Councillors' Executive Assistant.

Generally, the Council will not meet costs of partners/spouses attending conferences/courses/seminars.

Councillors, after attendance at an approved conference/course/seminar should report to an appropriate meeting on relevant matters including course

content, matters of interest to other members and staff and an assessment of the value of the attendance.

LGNZ Conference

Attendance at the LGNZ Annual Conference will be considered and resolved by the Council.

The Council will meet the costs of registration, meals and accommodation for Councillors and partners/spouses.

10. Other Expense Reimbursements & Allowances

10.1 Councillors travelling overseas (other than courses/conferences)

The Council may support the costs of Councillors travelling overseas on fact-finding visits after consideration of the following factors:

- The information to be gained is necessary to the achievement of the performance measures of a relevant Council project in the Annual Plan/LTCCP.
- A personal visit is required and the nature of the visit is such that a Councillor is appropriate for the task.
- The visit is an effective means of obtaining the information.
- The Councillor applying for support is an appropriate member to undertake the proposed visit.
- Any special circumstances, which are seen to justify support.

All applications for support shall be in writing and will require support from the relevant principal Committee prior to consideration by the Council.

When a Councillor will be travelling overseas on a personal visit and is asked by the Council to undertake some work which can be conveniently included in their itinerary, then the Council may approve any extra expense incurred as it sees fit.

10.2 Personal Accident Insurance

The Council has an accidental death policy that covers Councillors in the case of an accidental death by any cause while on Council business.

The policy will pay out \$100,000 on death.

- The cover applies from the time of leaving home to returning home.
- Proceeds of any claim will be used to meet the costs of any by-election required.

11. Taxation of Allowances

Taxation on allowances shall be deducted at the prevailing taxation rates as determined by the Inland Revenue Department.