

Policy

ELECTED MEMBERS' ALLOWANCES AND REIMBURSEMENT

TEAM:	Governance
RESPONSIBILITY:	Chief Executive
ADOPTED:	23 November 2022
REVIEW:	Every year, in line with the release of the Remuneration Authority Determination
CONSULTATION:	None required
RELATED DOCUMENTS:	ADC Conference Attendance Guidelines (Elected Members), ADC Elected Members Code of Conduct, ADC Sensitive Expenditure Policy, Local Government Act 2002, Remuneration Authority Act 1977, Local Government Elected Members Determination 2022/23.

Policy Objective

This policy provides details of the allowances and expenses available to elected members during their term of office and details the process for reimbursement. The objective is to avoid unjustified expenditure and ensure transparency in the process for reimbursement.

Definitions

Actual means as evidenced by the original tax receipt attached to the claim form.

Council means Ashburton District Council.

Council business is elected members' attendance at meetings/events that have been authorised through resolution of Council (i.e. adopting the Council meeting calendar and appointments schedule). This includes:

- Official meetings of the Council, including:
 - any committee/subcommittee
 - working groups
 - Council workshops
- Seminars, training courses and conferences*
- Statutory hearings
- Any fact-finding or investigative travel outside of New Zealand to inspect or evaluate initiatives, facilities or operations which may benefit Ashburton District
- Any travel as part of a Sister/Friendship City Delegation, where the host city does not wholly cover the cost of such travel.

Council business also includes the mayor attending external meetings/events where the Council has a business interest. The mayor may also invite other elected members to attend, either on behalf of or in addition to their attendance. Attendance at such external meetings/events does not require a resolution of Council.

Council business shall be performed in accordance with all other relevant Council policies and guidelines. Meetings/events which are primarily a social activity, such as recreational events including concerts or sporting games, are specifically excluded from the Council business definition.

**The Methven Community Board (MCB) Chair approves attendance for MCB members through resolution to the Board.*

Elected member means the mayor, any councillor or Methven Community Board member.

Family member of the member has the same meaning as s.14(2) of the Remuneration Authority Determination 2022/23 and means a spouse, civil union partner, or de facto partner.

Reasonable means that it is appropriate, fair, moderate, sensible, and within the amount specified by this policy or as deemed reasonable by the mayor and/or chief executive.

Remuneration Authority is a body established by the Remuneration Authority Act 1977, with responsibilities under the Local Government Act 2002 to determine remuneration and expense/allowance rules for local authority members.

Policy Statement

1. Introduction

1.1 From time to time elected members incur expenses on the Council's behalf, which need to be reimbursed. This reimbursement and the use of Council supplied resources apply only to elected members personally, and only while they are acting in their official capacity as elected members.

1.2 This policy applies to all elected members. It is intended to be read alongside the Council's Sensitive Expenditure Policy which states the specific limits for accommodation and meal expenses.

1.3 Elected members are expected to exercise proper and prudent behaviour in relation to expenditure. This includes being honest and accountable, and complying with expenditure controls. Relevant principles are:

- there must be a justifiable business purpose,
- expenditure decisions must preserve impartiality,
- expenditure must be moderate and conservative, having regard to the circumstances, and
- the process must be transparent and appropriate in all respects, it should be able to withstand public scrutiny and have appropriate approvals.

1.4 Claims must be considered reasonable. Any concerns regarding whether a claim is reasonable should be discussed with the Governance Team prior to submitting a claim.

1.5 Council officers will ensure good financial controls and scrutiny of expenditure in the administration of this policy and elected members are expected to exercise sound judgment and integrity.

1.6 Details of allowance and expense claims are discoverable under the Local Government Official Information and Meetings Act (LGOIMA) 1987, and subject to Council's LGOIMA Policy.

2. Authentication of expense reimbursements and allowances

2.1 The process for reimbursement of claims includes the following principles:

- any expenses to be reimbursed must be on an actual and reasonable basis,
- expense claims are approved by the Chief Executive, via the Governance Team,
- full original receipts are required for all claims, and
- cost reimbursements will be made via the payroll system.

2.2 In the case of one-off expenditure such as travel to conferences, the process and prior approvals required are detailed in this policy.

2.3 In the case of a mayoral vehicle, vehicle mileage, travel time, communications and childcare allowance, no limits set in this document exceed the Remuneration Authority's Determination.

2.4 As recommended by the Remuneration Authority, the Council's internal audit work programme includes sampling expense claims and allowances paid to elected members and staff.

2.5 All expenditure that falls under this policy is approved on the condition that it can be met within relevant budget provisions.

3. Allowances and expenses

3.1 Communications equipment

Position	Entitlement
Mayor	Provision of a cell phone which includes full payment of the base rental and Council-related usage. The mayor identifies and reimburses Council for personal usage over and above Council's plan.
Councillors	<p>Provision of a tablet computer. Full technical support is provided.</p> <p>Provision of an annual allowance for any or all equipment provided by the elected member, as follows:</p> <ul style="list-style-type: none"> • \$150 for a telephone (mobile or handset) • \$450 for mobile telephone service • \$800 for internet service <p>Total - \$1,400.00</p>

Position	Entitlement
Methven Community Board Chair	<p>Provision of a tablet computer. Full technical support is provided.</p> <p>Provision of an annual allowance for any of the following equipment provided by the Community Board Chair, as follows:</p> <ul style="list-style-type: none"> • \$100 for a telephone (mobile or handset) • \$200 for mobile telephone service • \$400 for internet service <p>Total - \$700.00</p>
Methven Community Board members	<p>Provision of a tablet computer. Full technical support is provided.</p> <p>Provision of an annual allowance for any of the following equipment provided by the Community Board member, as follows:</p> <ul style="list-style-type: none"> • \$100 for a telephone (mobile or handset) • \$100 for mobile telephone service • \$400 for internet service <p>Total - \$600.00</p>

3.2 Vehicle mileage

In the first instance, elected members (excluding the mayor if the mayor has opted for a mayoral vehicle) should request usage of a Council vehicle for attendance at Council business. Where a vehicle is unavailable, or it would be unreasonable to use a Council vehicle, elected members may use their own vehicles and claim mileage.

Mileage for approved Council business by an elected member will be paid up to the maximum rate per kilometre as set out in the current Remuneration Authority Determination. Mileage may be claimed for either a petrol/diesel vehicle or an electric vehicle.

The maximum mileage per kilometre payable to a member is for the first 14,000km of eligible travel in the determination term. For any distance over 14,000km of eligible travel in the determination term, the lower payment per kilometre applies.

As per clause 11(4) the determination, if a member resides outside of the local authority area, then the member's eligibility for vehicle mileage allowance begins after they enter the district boundary.

Under clause 11(5), a member may apply to the Authority for an exemption on the boundary restrictions, if:

- The member's primary place of residence was outside the local authority at the time of the local election; or
- An exceptional circumstance beyond the member's control requires them to move outside of the local authority area.

The application must then go to the mayor, and the mayor will make a recommendation to the Authority.

The application will only be accepted if the Authority determines, on application from the member and having considered the recommendation of the mayor, that the restriction does not apply.

Vehicle mileage will not be paid to the mayor, where the mayor is travelling to the Council office from their personal residence. It would not be considered reasonable to reimburse for a daily trip to/from the office.

Mileage will be paid to eligible members on receipt of a completed and signed mileage claim, and approved by the Governance Team of Council.

3.3 Mayoral vehicle

The mayor will have the option to be provided with a vehicle that will also be available for private use, provided the following conditions of use and eligibility are met:

- The mayor will not be able to claim for vehicle mileage if a vehicle is provided.
- The mayor must use the mayoral vehicle for travel to and from Council business.
- The mayor may suggest a vehicle for purchase but the vehicle must satisfy Council's Plant Purchasing Policy requirements. The maximum purchase price is available as per the Determination: (a) Petrol or diesel vehicle - \$55,000, or (b) Electric or hybrid vehicle - \$68,500. These prices are inclusive of goods and services tax and any on-road costs.
- Appropriate adjustments will be made for the Government Clean Car Discount whereby the rebate a council may receive can be deducted from the purchase price of the eligible vehicle (including on road costs and GST) before calculating the deduction to the mayor's remuneration for the full or partial private use of the vehicle.
- The mayor will be provided with a fuel card to cover fuel costs. The mayor is expected to act prudently with the use of this card.
- If the mayor opts for an electric vehicle, the cost of electricity to charge the vehicle will be reimbursed. However, to ensure the accuracy of the reimbursement, a monitor will be purchased to record exact electricity usage at the mayor's personal residence. The cost of the monitor will be counted towards the total vehicle purchasing cost. Reimbursements must be submitted with a copy of the mayor's power bill stating the electricity rates for that month, and details of the actual electricity used to charge the vehicle (produced from the monitor).
- An electric charging station will be provided in the new Council building. However, Council is unable to provide a charging station at the current Council workplace of 5 Baring Square West. Given the Council will soon be shifting to a new building, it is not considered reasonable to install such a station for temporary use.
- If the mayor wishes to have an electric charging station installed at their own residence, they must do so at their own cost as this is a permanent feature.

Usage type

The mayor must determine the type of usage prior to the provision of the mayoral vehicle. The Determination sets out three types of usage:

Full private use – the vehicle:

- is usually driven home and securely parked by the mayor;
- is available for the mayor's unrestricted personal use; and

- is used by the mayor for a mix of Council business; private use; and may also be used by other elected members or staff on Council business, with the permission of the mayor.

There will be a salary deduction as required by the Determination for this type of usage.

Partial private use – the vehicle:

- is usually driven home and securely parked by the mayor;
- is used by the mayor for a mix of Council business and private purposes;
- may also be used by other local authority members or staff on Council business, with the permission of the mayor;
- is used for private purposes accounting for no more than 10% of the vehicle's annual mileage; and
- all travel in the vehicle is recorded in a logbook.

There will be a salary deduction as required by the Determination for this type of usage.

Restricted private use – the vehicle:

- is usually driven home and securely parked by the mayor;
- is otherwise generally available for use by other elected members or staff on Council business;
- is used solely for Council business; and
- all travel in the vehicle is recorded in a logbook.

There is no deduction from the annual remuneration if the mayor opts for restricted private use.

3.4 Travel time

As per the Sensitive Expenditure Policy, elected members are expected to consider the cost implications of travel. The most economical mode of transport, taking into account the cost of travel allowance, should be pursued.

Elected members are entitled to reimbursement at \$40.00 per hour for travel time (including travel to and from the member's residence) for travel undertaken on any one day to attend Council business with a minimum threshold of one hour of time travelled. Only time in excess of this threshold will qualify for payment and only if the travel is by the quickest form of transport reasonable in the circumstances.

As per clause 12(4) the determination, if a member resides outside of the local authority area, then the member's eligibility for vehicle mileage allowance begins after they enter the district boundary.

Under clause 12(4A), a member may apply to the Authority for an exemption on the boundary restrictions, if:

- The member's primary place of residence was outside the local authority at the time of the local election; or
- An exceptional circumstance beyond the member's control requires them to move outside of the local authority area.

The application must then go to the mayor, and the mayor will make a recommendation to the Authority.

The application will only be accepted if the Authority determines, on application from the member and having considered the recommendation of the mayor, that the restriction does not apply.

3.5 Childcare allowance

Council will pay a childcare allowance to eligible elected members as per the Remuneration Authority determination. This allowance is claims based, and claims must be submitted as soon as possible following the childcare. This allowance is intended as a contribution towards childcare costs for qualifying members when they are attending Council business.

Elected members will be paid a contribution that does not exceed \$20.00 per hour incurred by the member for childcare provided while the member is engaged on Council business, provided the following conditions are met:

- The member is a parent or guardian of the child, or is the person who usually has responsibility for the day-to-day care of the child (other than on a temporary basis).
- The child is aged under 14 years of age.
- The childcare is provided by a person who is not a family member of the member (see definitions section), and does not ordinarily reside with the member.
- The member provides evidence to Council of: the amount paid for childcare and the hours claimed, who (person or organisation) has provided the childcare, and the age of the child requiring care.

No more than \$6,000 per annum per child, up to a maximum of \$12,000 per family will be paid in childcare allowances.

The claim for reimbursement may include the time taken for the elected member to travel to the location of business, provided this is the time the childcare began/finished.

Appendix 1 – Reimbursement of mileage

Councillors and the Mayor (if no mayoral vehicle)

Type of meeting/function	Mileage	
	Paid	Not paid
Official meetings of Council (any committee/subcommittee reporting directly to Council)*	✓	
Working groups (only paid to members of the working group)	✓	
Community Board meetings (other than the Council appointees)		✓
Reserve board meetings (other than the Council appointees)		✓
Community consultation meetings**	✓	
Constituency “meetings” (either with individuals or organisations)**		✓
Briefings and discussions with the mayor, chief executive, managers and officers	✓	
Statutory hearings (only if attendance requested)	✓	
Field trips or site visits/inspections (including site visits for resource consent hearings where approved by mayor or Committee Chairperson)	✓	
Where councillors officiate at “official” functions as determined by the mayor	✓	
Conferences/seminars/training within New Zealand (if an appointed representative)	✓	
Social events – including concerts, shows and sporting events		✓

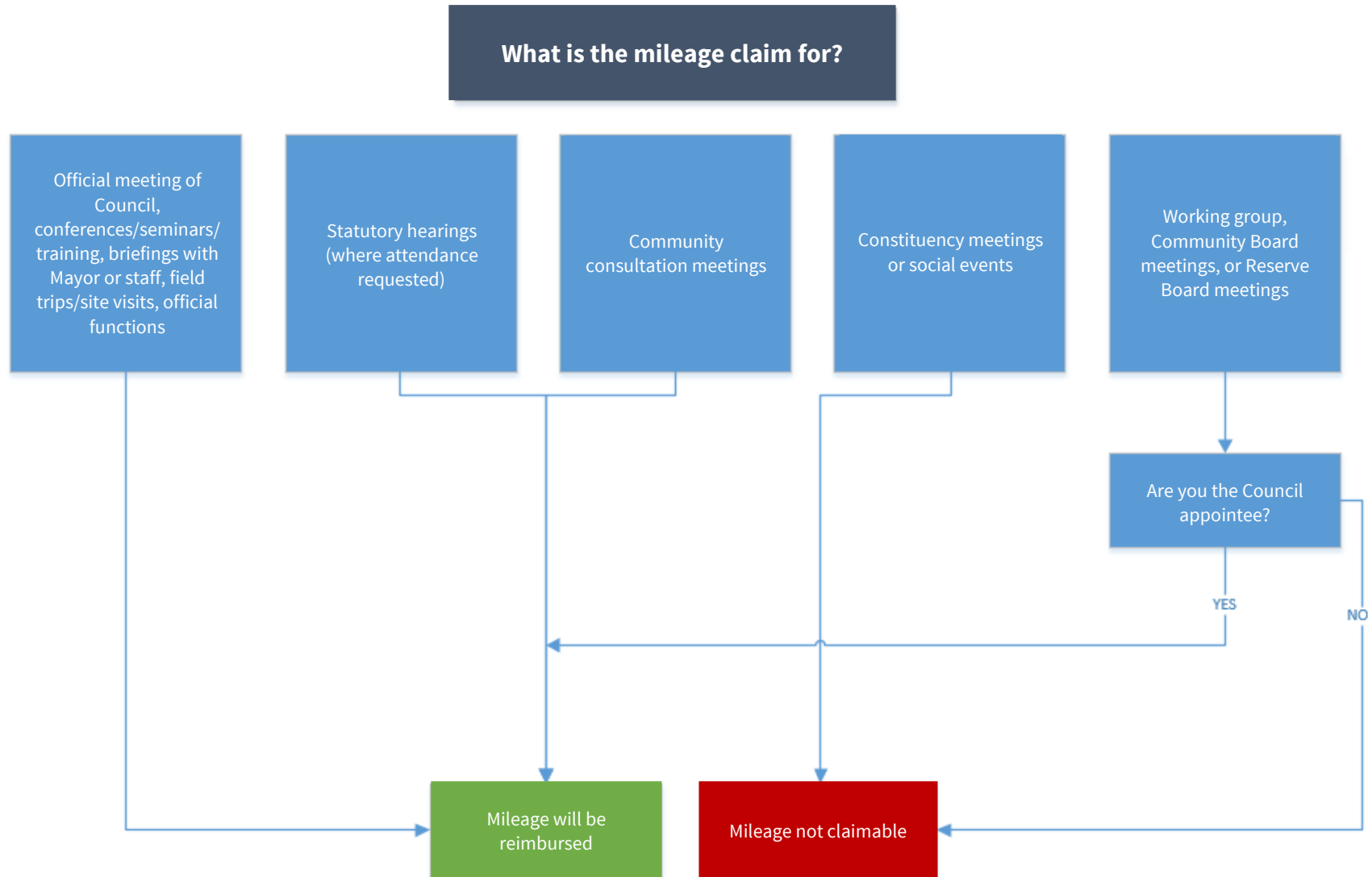
Community Board members

Type of meeting/function	Mileage	
	Paid	Not paid
Council meetings (ordinary, extra-ordinary and emergency)**		✓
Community Board meetings	✓	
Community consultation meetings (only if attendance requested)	✓	
Constituency “meetings” (either with individuals or organisations)**		✓
Briefings and discussions with the mayor, chief executive, managers and officers	✓	
Conferences/seminars/training within New Zealand (if an appointed representative)	✓	
Social events – including concerts, shows and sporting events		✓

*All councillors are permitted to claim mileage, regardless of their membership

**Unless attendance has been requested by the mayor or granted by resolution of Council.

Appendix 2 - Mileage approval process for councillors and the mayor (if no mayoral vehicle)



Appendix 3 – Childcare allowance reimbursement

