

Tasman District Council Policy on Elected Members' Allowances and Recovery of Expenses

ORGANISATIONAL POLICY

POLICY REFERENCES

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| □ Sponsor: | Manager Corporate Services |
| □ Effective date: | 1 July 2017 |
| □ Internal review due: | reviewed at three yearly intervals prior to the Local Authority Elections |
| □ External review | This policy or any amendments require approval by the Remuneration Authority. |
| □ Legal compliance: | Local Government Act 2002, Remuneration Authority Act 1977, Local Government Elected Members Determinations, Local Electoral Act 2001, and Fees and Travelling Allowances Act 1951, and related regulations. |
| □ Associated Documents/References | Sensitive Expenditure Policy Travel and Accommodation Policy Koha and Donations Policy Reimbursement of Work Related Expenses Policy |
| □ Policy Number | EM05 |
| □ Adopted by Council | Original adopted by Council 26 September 2013 Reviewed, amended and adopted 12 May 2016 Amended and adopted 14 December 2017 (Report RCN17-12-12). Minor update 1 December 2018. |

1 Purpose

1.1 This policy sets out the rules and processes for claiming expenses by elected members and the resources that will be available to them during their term in office.

2 Definitions

Chief Executive and Corporate Services Manager - the Chief Executive and Corporate Services Manager of the Tasman District Council

Community Board – A Community Board situated within Tasman District

Council - Tasman District Council

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

Finance Manager – the Finance Manager of Tasman District Council

Mayor - the Mayor of the Tasman District Council

Member of the Council - 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 - the members of community boards situated within the Tasman district.

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

Reasonable - that it is within the amount specified by this policy or as deemed reasonable by the Mayor and/or Chief Executive. Moderate and conservative, having regard to the circumstances and appropriate in all respects.

Council business - includes: formal council and community board meetings, committee meetings, workshops, seminars, statutory hearings, training courses, site visits, meetings with staff, meetings with community groups, meetings with members of the public. It does not include events where the primary focus is on social activity.

Remuneration Authority is an independent 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.

3 Application

3.1 This Policy applies to all elected members of the Tasman District Council, Motueka Community Board and the Golden Bay Community Board.

4 Policy Contents:

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5 Policy

- 5.1 The rules, guidelines and monetary amounts set out within this policy are subject to change as a result of further determinations and guidance from the Remuneration Authority.
- 5.2 Transparency is achieved by making details of elected members' expense claims available to the public on request.

6 Authentication and Payment of Claims

- 6.1 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.
- 6.2 Costs for expenses must have a justifiable business purpose, be moderate and be conservative having regard to the circumstances, and be appropriate in all respects.
- 6.3 Claims are subject to a standard of probity and financial prudence that is to be expected of a local authority and able to stand public scrutiny.
- 6.4 Completed claims are to be submitted within seven (7) days following the end of the month. Late claims submitted after three months will not be entertained except in extraordinary circumstances.
- 6.5 Reimbursement of all claims will be processed through the payroll system in conjunction with elected member remuneration.

- 6.6 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 receipts and GST tax invoices, shall be submitted to the Finance Manager for approval. The Mayor shall submit his/her claims to the Chief Executive for approval.
- 6.7 In considering and approving reimbursement of claims the following principles will apply:
- any expenses to be reimbursed must be on an actual and reasonable basis and in line with relevant Council policies;
 - have a justifiable business purpose;
 - be appropriate in all respects;
 - be moderate and conservative having regard to the circumstances;
 - be approved by a senior Council officer able to exercise independent judgement;
 - are adequately documented including the provision of full original receipts and for amounts over \$50 must be accompanied by a GST Tax Invoices;
 - can be met within approved budgets or has been expressly authorised by Council outside of those budgets;
- 6.8 In the case of one-off expenditure such as travel to conferences, the process and prior approvals required have been obtained.
- 6.9 In the case of vehicle mileage, travel time and communications, all limits set in this document do not exceed the Remuneration Authority's current Determination.
- 6.10 The Council's audit work programme will include sampling expense claims and allowances paid to elected members to ensure policy compliance.

7 Taxation

- 7.1 No allowances (as distinct from reimbursement of actual business expenses) are paid without the deduction of withholding tax. The taxation treatment of allowances and expense claims will at all times comply with the requirements and determinations of the Inland Revenue Department.

8 Vehicles

- 8.1 Except for the Mayor, no elected members are provided with the use of a vehicle by the Council. The Mayor's vehicle will be available for his/her private use. A deduction will be made from his/her salary as determined by the Remuneration Authority. The Mayor will not be able to claim for vehicle mileage.

9 Car Parks

- 9.1 Except for the Mayor, no elected members are provided with the use of a designated car park. On request Council members and the Community Board chairs will be provided with a parking permit that exempts the vehicle from the time limits applicable to managed parking on the streets surrounding the Council's Richmond office. These permits are only applicable while the member is on Council business. Abuse of this privilege may lead to cancellation of the permit.

10 Vehicle Mileage Allowance

- 10.1 Mileage will be paid up to the maximum rate per kilometre as set out in the current Remuneration Authority Determination. The mileage rate threshold will be as set out in the Remuneration Authority Determination.
- 10.2 Mileage will be paid to eligible members on receipt of a completed and signed mileage claim. The mileage claim may be incorporated into the monthly expenses claim and will be processed on the same basis.
- 10.3 To be eligible for mileage reimbursement the travel must be in the elected member's own vehicle and by the most direct route reasonable in the circumstances. Every reasonable effort should be made by elected members to share transport in order to reduce costs.

Note: the mileage and communications allowances, including the mileage rate threshold is as set out in the current Remuneration Authority Determination and have pro rata provisions for members not in their elected position for the full 12 months of the financial year, i.e. those who do not return after elections, or those who are elected for the first time in October.

Rules applicable to Council Members

- 10.4 A member of the Council may make a mileage claim for travel that is:
- 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
 - on other official Council business.

Rules applicable to Community Board Members

- 10.5 A member of a Community Board may make a mileage claim for travel that is:
- for the purpose of attending a meeting of the Council, a committee of the Council, or the Community Board, on Community Board business;
 - for travel to briefings, working parties, and information workshops where attendance has been requested by Council officers or by resolution of the Council; or
 - for travel:
 - to a specific event pursuant to a resolution of the Community Board;

- pursuant to a request or authorisation from the Mayor or Chief Executive;
- to official functions and events of the Community Board;
- to meetings of residents, ratepayers or community groups in the capacity of a member of the Community Board;
- to meetings called by Council Officers to discuss Council business;
- to National and Zone Community Board meetings and conferences; or
- to agenda setting meetings of the Community Board.

11 Travel Time

- 11.1 Elected Officials (excluding the Mayor) may claim reimbursement at \$37.50 per hour for travel time (including travel to and from the member's residence) for travel undertaken on any one day to attend a Council or Community Board related meeting or event with a minimum threshold of one hour of time travelled.
- 11.2 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.
- 11.3 Travel time and mileage may be claimed for the same journey. Travel time is also applicable where the member is travelling with another person.

12 Travel and Accommodation

- 12.1 The principles as set out in the Sensitive Expenditure Policy section 7 to 12 apply to all elected officials.
- 12.2 Elected officials may need to incur travel and accommodation costs while conducting Council business elsewhere in New Zealand or overseas. The principles of a justified business purpose, moderate and conservative expenditure, are particularly relevant for travel and accommodation expenditure.
- 12.3 Travel and accommodation expenditure should be economical and efficient, having regard to purpose, distance, time, urgency and personal health, security and safety considerations.
- 12.4 **Taxis and Rental Cars**
- Council expects the use of taxis to be moderate, conservative and cost effective relative to other transport options. Wherever practicable shuttle or bus services are to be used in lieu of taxis. Taxis are only reimbursed for approved business conducted outside the district.
 - Council requires that the most economical type and size of rental car be used, consistent with the requirements of the trip. Rental cars are only available for business conducted outside the district and must be pre-approved. This approval may be given by the Chief Executive or the Corporate Services Manager. Any fines (parking or traffic offences) incurred while using a rental vehicle are the responsibility of the driver.
 - Private use of a rental car is only permitted in exceptional circumstances and requires the express approval of the Mayor or the Chief Executive. All additional costs as a result of private use are the responsibility of the elected official.

12.5 Air Travel

- Council business air travel arrangements will be made through the Corporate Services Manager using Council's preferred travel agents. All domestic travel by elected officials requires the prior approval of Council, or the Chief Executive or the Corporate Services Manager. International travel for elected officials requires the express approval of Council.
- To the extent practical, air travel is to be booked well ahead of the actual travel date, so the expenditure is the most cost-effective possible. Council business air travel arrangements should be made through the Governance Support team.
- Discounted economy or economy class and/or a discount airline is to be the first choice for journeys where the uninterrupted flight time is 5 hours or less, except where the distance or hours travelled, work schedule on arrival, or personal health, safety or security reasons make business class preferable. In all circumstances first class travel is prohibited.
- Council payment for membership of airline travel clubs eg Koru Club is restricted to the Mayor. Subscriptions by elected members to airline clubs shall not be reimbursed or an allowance made.

12.6 Meals and Accommodation When Travelling

- All elected members are entitled to payment of actual and reasonable travel, accommodation, meal and related incidental expenses (including travel insurance) incurred when travelling on Council business. Such travel must be pre-approved by the Council or the Community Board and be accommodated within existing budgets.
- To the extent practical, accommodation is to be booked well ahead of the actual travel date, so the expenditure is the most cost-effective possible. This must take into account the location of the accommodation relative to the event, the standard of the accommodation (which should be modest) and security issues.

The use of "luxury" accommodation is not permitted.
- Wherever possible use is to be made of Council's preferred suppliers and negotiated corporate rates. Any exceptions require the express approval of the Chief Executive or the Corporate Services Manager.
- An elected member may elect to arrange private accommodation. This shall be reimbursed at a nightly rate of \$55.00, that 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.
- Drinks – Council will pay for only one beverage (alcoholic or non-alcoholic) with an evening meal, e.g. one glass of wine or non-alcoholic beverage, one can or one small bottle of beer. Casual drinks before or after the evening meal are to be paid for by the elected official.
- Minibars/Videos – these costs will not be reimbursed by Council

- Phone Calls – All charges for business-related telephone calls, faxes, email and internet access made by an elected official while travelling on Council business will be reimbursed. Reasonable private use to clear email and communicate with family members is permitted.
- Accommodation check out times are to be observed. In the absence of extenuating circumstances, any additional costs as a result of failing to check out in time are the responsibility of the elected official.
- Reasonable expenses will be met for unexpected events, eg overnight expenses due to a cancelled plane flight.
- Reasonable meal costs will be met with the total cost not expected to exceed \$60 per person per meal or such other amount as is set from time to time by the Chief Executive. Separate meal expenses will not be met where a meal has been provided as part of the meeting, conference, training, etc.
- Where travel arrangements are extended to accommodate a member's personal arrangements, all costs in addition to those that would be expected for the business component of the trip are the responsibility of the elected official.

13 Accommodation and Meals – Official Meetings

13.1 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 \$15.00.
- Where the Councillors attend a meeting that ends at lunchtime and the same Councillors attend a subsequent meeting after lunch, then the member may claim reimbursement of the cost of their lunch up to a maximum of \$15.00.
- 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 will only be applicable when lunch has not been provided by Council, or the Community Board.
- Reimbursement of the cost of meals must be accompanied by receipts and details of the reason for the claim.

13.2 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. No reimbursement for purchases from hotel mini-bars or charges for in-room services will be accepted.

14 Entertainment and Hospitality

- Except for meals reimbursed under other sections of this policy no hospitality and entertainment allowances are payable to elected members.
- For reimbursement or charging all entertainment and hospitality expenditure must comply with the requirements set down in the Sensitive Expenditure Policy. In particular elected officials must ensure that full receipts, details of the names of parties entertained and reasons for the entertainment are to be provided.

15 Communications & Technology Equipment

- The Council provides the following equipment or the equivalent to designated members of Council. Private use of this equipment is permitted.
 - Notebook computer, printer – The Mayor
 - Mobile phone - The Mayor and the Deputy Mayor
 - Mobile devices (e.g. iPads) - Councillors

16 Communications Allowance

- The Council provides a communication allowance to all elected officials with the exception of the Mayor. This annual allowance is reviewed every three years and is based on the actual costs for a typical elected official. The allowance is currently \$440 for Councillors and \$840 for Community Board members and has been set in accordance with the Local Government Members (2017/18) (Local Authorities) Determination 2017. The difference in amounts is due to the provision of Notebooks to all Councillors by Council.
- The allowance covers provision by the elected member of equipment and also covers related data charges as detailed below. Council staff will assist with setting up access on the chosen device to Council systems. All maintenance and other costs are the responsibility of the member.
 - PC /Notebook/tablet etc. where a notebook is not supplied by Council.
 - Printer
 - Broadband internet connection and related charges including installation where applicable.
 - Home phone land line including rental and toll charges
 - Mobile device and related charges including toll/data charges
- In exceptional circumstances where unusually high internet access set up costs apply e.g. in remote rural areas, the member may request a one-off reimbursement of 50% of the setup costs.
- In an election year the annual allowance will be paid pro rata in two amounts. The first being for the period up to the election date. The second for the period from the election date to 30 June in the following year.

17 Stationery and Consumables

- On request the Corporate Services Manager will supply reasonable amounts of paper and reimburse the reasonable costs of printer consumables, for Council business use only. Reimbursement claims for printer consumables must be included in the monthly expense claim and indicate the percentage of business use the printer is typically put to. The reimbursement will be limited to the business use percentage of the cost.

18 Conferences, Courses, Seminars and Training

- The conference, course, seminar or training event must contribute to the Councillor's or the board member's ability to carry out Council and or board business.
- 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 member's attendance at professional development courses, conferences and seminars.

19 Clubs and Associations

- Except as allowed under rule 12.4, no expenses are reimbursed or allowances paid in respect of subscriptions to clubs or associations.

20 Other Expense Reimbursement

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

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

- increased clothing standard because of attendance at Council and other meetings;
- constituent expenses;
- lost time or the additional payments incurred in having normal work undertaken by someone else;
- childcare;
- personal subscriptions to magazines, clubs and organisations;
- hospitality extended to constituents in private home on Council business and community contacts; and
- spouse's costs in attending functions.



Authorised by Lindsay McKenzie, Chief Executive in accordance with Council Resolution CN17-12-30 (14 December 2017)

Date of approval: 14 December 2017