

**Attachment 10: The Council's Reimbursement of Elected Member Expenses
Policy (related to Question 7)**

REIMBURSEMENT OF ELECTED MEMBER EXPENSES



Date adopted by Council:	25 May 2016
Date considered by Committee:	
Minute Reference:	(Policy Updated 20 September 2017)
Previous Policy Reference(s):	Policy for Reimbursement of Expenses
Statutory Requirement:	Local Government Act 2002 Schedule 7 Part 1
Business Unit/Author:	City Growth & Partnerships Lynlee Baily
Next Review Date:	May 2019

INTRODUCTION

This policy sets out rules for claiming expenses by elected members in accordance with the requirements of the Remuneration Authority and Schedule 7 of the Local Government Act 2002.

PURPOSE

This policy outlines the provisions for reimbursement of expenses and allowances payable to elected members.

SCOPE OF POLICY

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

Costs for expenses must have a justifiable business purpose, be moderate and conservative having regard to the circumstances, and appropriate in all respects.

The process for reimbursement of claims includes the following principles:

- any expenses to be reimbursed must be on an actual and reasonable basis and in line with Council policy
- expense claims are approved by the Manager, Democratic Services, and for Councillor expenses, the Mayor. Full original receipts are required
- cost reimbursements will be made via the payroll system.

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

In the case of vehicle mileage, travel time and communications, all limits set in this document do not exceed the Remuneration Authority's Determination.

The Council's internal audit work programme includes sampling expense claims and allowances paid to elected members and staff.

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

STATUTORY FRAMEWORK

Pursuant to clause 6 of Schedule 7 of the Local Government Act 2002, and to the Remuneration Authority Act 1977, the Remuneration Authority, must determine the remuneration, allowances, and expenses payable to Mayors, Deputy Mayors, Chairpersons, Deputy Chairpersons, and members of local authorities.

CONTENT

ALLOWANCES AND EXPENSES

1. VEHICLE PROVIDED	
Are any elected members provided with use of a vehicle, other than a vehicle provided to the Mayor and disclosed in the remuneration information provided to the Remuneration Authority?	No
2. MILEAGE ALLOWANCES	
No mileage allowances are payable. Elected members are required to claim the costs of using their private vehicles on Council related business as part of their individual taxation arrangements.	No

3. TRAVEL AND ACCOMMODATION	
<p><i>Taxis and other transport</i> Are the costs of taxis or other transport reimbursed or an allowance paid?</p> <ul style="list-style-type: none"> • No allowances are paid. • Costs of travelling by public transport to and from Council-approved external meetings and functions and for attendance at conferences or seminars approved by the Council are reimbursed (on production of receipts). 	Yes
<p><i>Car Parks</i> Are car parks provided?</p> <ul style="list-style-type: none"> • Car parks are provided as and when required to enable elected members to carry out their governance and representation responsibilities. 	Yes
<p><i>Use of Rental Cars</i> Are rental cars ever provided?</p> <ul style="list-style-type: none"> • If travel to a conference out of Porirua has been approved by Council and the cost of a rental car is cheaper than paying a mileage allowance or air/bus/train fare. 	Yes
<p><i>Air Travel Domestic</i> Summary of the rules for domestic air travel.</p> <ul style="list-style-type: none"> • For travel to conferences/seminars etc approved by Council (in advance) where travel by air is the most cost effective travel option. • All travel except Mayoral travel must be booked through the Democratic Services Unit. • Mayoral travel will be booked by the Mayor's Office. • Compliance in all respects with the Council's Travel Policy. 	
<p><i>Air Travel International</i> Summary of the rules for international air travel (including economy class, business class, stopovers)</p> <ul style="list-style-type: none"> • All travel must be approved in advance by the Council. • All travel except Mayoral travel must be booked through the Democratic Services Unit. • Mayoral travel will be booked through the Mayor's Office. • Economy class for flights up to 8 hours. • Business class travel approved for flights over 8 hours. • Compliance in all respects with the Council's Travel Policy). 	

<p>Airline Clubs/Airpoints/Airdollars Are subscriptions to airline clubs (such as the Koru Club) paid or reimbursed?</p> <ul style="list-style-type: none"> • Koru Club membership for the Mayor is paid. <p>Are airpoints or airdollars earned on travel, accommodation etc., paid for by the local authority available for the private use of members</p>	<p>Yes</p> <p>No</p>
<p>Accommodation costs whilst away at conferences, seminars Summary of the rules on accommodation costs.</p> <ul style="list-style-type: none"> • Actual and reasonable costs reimbursed. • Designated hotels to be used where possible. • All accommodation except for the Mayor booked through Democratic Services. • Compliance in all respects with the Council's Travel Policy. 	
<p>Meals and sustenance, incidental expenses Meals will be reimbursed on the presentation of itemised receipts only, unless circumstances prevent this, i.e. receipts in some countries are not always available for food.</p> <p>The following amounts are based on reasonable costs within NZ.</p> <ul style="list-style-type: none"> • breakfast NZ\$25 • lunch (refer to conditions above) NZ\$20 • dinner NZ\$50 (this may include reasonable beverage costs accompanying a meal as long as the NZ\$50 is not exceeded and if the meal is not already covered by a hotel or conference package) • Casual drinks before or after evening meals are to be paid for by the elected member. <p>For international travel an appropriate equivalent amount will be reimbursed.</p> <p>When can't a meal expense be claimed? Meal expenses cannot be claimed if:</p> <ul style="list-style-type: none"> • a meal is provided by an airline • a meal is prepaid through an accommodation package (eg hotel breakfast) • the cost of the meal is included in the cost of a seminar or conference • Elected members are entertained by their hosts. <p>Mayor and Councillors If the Mayor and Councillors receive a meal allowance, it is paid via the payroll system and subject to deduction of withholding tax. This is to satisfy IRD requirements.</p>	

<p>Notes:</p> <ul style="list-style-type: none"> allowances received must be recorded as taxable income in the elected member's personal tax return deductions can be claimed for relevant expenditure supported by receipts tax credits will be available for the withholding tax deducted. compliance in all respects with the Council's Travel Policy. 	
<p>Private accommodation paid for by local authority Is private accommodation (for example an apartment) provided to any member by the local authority?</p>	No
<p>Private accommodation provided by friends/relatives Are any allowances payable in respect of accommodation provided by friends/relatives when travelling on local authority business?</p> <ul style="list-style-type: none"> Elected members travelling on Council business who choose to stay privately are paid an allowance of \$55 per night, which includes the cost of accommodation, breakfast and dinner. 	Yes
<p>4. RESOURCE CONSENT HEARING FEES</p>	
<ul style="list-style-type: none"> A Member who acts as the chairperson of a resource consent hearing is entitled to be paid a fee of up to* \$100 per hour of hearing time and preparation time. A member who is not the chairperson of a resource consent hearing is entitled to be paid a fee of up to \$80 per hour of the hearing time and preparation time. For any period of hearing time and preparation time that is less than 1 hour, the fee must be apportioned accordingly. A hearing of submissions as part of the process of the preparation of a district or regional plan or regional policy statement; or a hearing relating to a request for a change to a district or regional plan or policy statement (including one requested by the local authority or a board <p>*updated by the Council 20 September 2017 – See 2017 Local Govt Determination</p>	
<p>5. ENTERTAINMENT AND HOSPITALITY</p>	
<p>Are any hospitality or entertainment allowances payable or any expenses reimbursed?</p>	No
<p>6. COMMUNICATIONS AND TECHNOLOGY</p>	

<p>Equipment and technology provided to elected member Is equipment and technology provided to elected members for use at home on council business?</p>	No
<p>Allowances paid in relation to communication Are any allowances paid in relation to communication?</p> <p>Use of an electronic tablet or computer a maximum of \$150-\$200 Use of a printer to a maximum of \$40 Use of a mobile phone to maximum of \$60-\$150 Internet connection to maximum of \$400</p> <p>Councillors can also receive \$400 annually for council-related toll and mobile phone charges.</p> <p>The total amount payable to a member must not exceed \$1050 \$1190 annually.</p>	Yes
<p>7. PROFESSIONAL DEVELOPMENT, CLUBS AND ASSOCIATIONS</p>	
<p>Are any expenses reimbursed or allowances paid in respect of members' attendance at professional development courses, conferences and seminars?</p> <ul style="list-style-type: none"> • No allowances are paid. • Course registration fees are paid subject to the approval of the Manager, Democratic Services and the Mayor. 	Yes
<p>Are any expenses reimbursed or allowances paid in respect of subscriptions to clubs or associations?</p>	No
<p>8. TAXATION OF ALLOWANCES</p>	
<p>Are any allowances (as distinct from reimbursements of actual business expenses) paid without deduction of withholding tax?</p>	No

APPLICATION OF POLICY

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.

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No allowances are paid without deduction of withholding tax.

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POLICY MONITORING AND REVIEW

The policy is reviewed on a three year basis in accordance with the requirements of the Remuneration Authority.

DEFINITIONS

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

"Reasonable" means that it is within the amount specified by this policy or as deemed reasonable by the Mayor and/or Chief Executive.

"Council business" includes: formal council 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.