

# Nelson City Council Policy

Contact person for queries:	Manager Administration
Approved by:	Council and the Remuneration Authority
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## ELECTED MEMBERS' REIMBURSEMENT AND EXPENSES POLICY

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### 1. Purpose and scope

- 1.1 This policy is required by the Remuneration Authority and has been prepared according to the guidelines from the Office of the Auditor General regarding controlling sensitive expenditure.
- 1.2 The policy sets out the process for elected members to claim actual and reasonable expenses for vehicle mileage, travel time, communications, resource consent hearings, in accordance with the Local Government Elected Members (Certain Local Authorities) Determination 2016. This policy also covers district licensing committee fees, training, travel, accommodation and meal costs. The aim is to avoid unjustified expenditure and to provide for adequate documentation for the administration of the claims process. Claims are to be adequately substantiated, linked to business purposes and properly approved.

### 2. Principles

- 2.1 In the administration of this policy, 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
  - The process must be transparent and appropriate in all respects, it should be able to withstand public scrutiny and have appropriate approvals
- 2.2 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.

### 3. Reimbursement

- 3.1 Reimbursements will be paid directly into the member's bank account.

#### **4. Vehicle Mileage Allowance**

- 4.1 A local authority may pay a member a vehicle mileage allowance for travel by the member in accordance with the relevant Local Government Elected Members (Certain Local Authorities) Determination issued by the Remuneration Authority.
- 4.2 Members are required to fill out a claim form (A319932) to seek reimbursement for vehicle mileage. This form must be submitted to the Office of the Mayor within two weeks of the date of travel. Authorisation of claims will be done by the Manager Administration or an Administration Adviser.

#### **5. Travel Time Allowance**

- 5.1 A local authority may pay a member a travel time allowance in accordance with the relevant Local Government Elected Members (Certain Local Authorities) Determination issued by the Remuneration Authority.
- 5.2 Members are required to fill out a claim form (A319932) to seek reimbursement for travel time. This form must be submitted to the Office of the Mayor within two weeks of the date of travel. Authorisation of claims will be done by the Manager Administration or an Administration Adviser.

#### **6. Communications Allowance**

- 6.1 The Local Government Elected Members (Certain Local Authorities) Determination issued by the Remuneration Authority allows for a communications allowance to be paid if members are required to use their own equipment and communication services.
- 6.2 Elected members are required to provide their own equipment and communication services and as a result are paid the maximum amount allowed by the Local Government Elected Members (Certain Local Authorities) Determination. This amount will be paid on a pro rata fortnightly basis.
- 6.3 At the beginning of the triennium, the amount for the first financial year may be paid out as a lump sum to allow for purchases of equipment. In the second and third years the allowance would be paid on a pro rata fortnightly basis. If the initial lump sum option is to be taken up, members must notify the Manager Administration or an Administration Adviser by December 2016.
- 6.4 As members are providing their own devices, they are required to comply with the appropriate Council Information Technology policy on the matter at the start of each triennium.
- 6.5 Members must ensure their devices, applications used and connectivity plans are approved by Council's IT officers for use with Council's systems. Assistance from the IT service desk is available to members for problems with email, calendars, access to shared documents and connection to wi-fi only.

## **7. Resource Consent Hearing Fees**

- 7.1 A local authority may pay members for involvement in Resource Consent hearings in accordance with the relevant Local Government Elected Members (Certain Local Authorities) Determination issued by the Remuneration Authority.
- 7.2 Members are required to fill out a claim form (A319932) to seek payment for resource consent hearings. This form must be submitted to the Manager Consents and Compliance within two weeks of the date of the hearing. Authorisation of claims will be done by the Manager Consents and Compliance.

## **8. District Licensing Committee Fees**

- 8.1 A member of a local authority who acts as the Chairperson of a District Licensing Committee hearing is entitled to be paid a fee of \$78 per hour or \$624 per day.
- 8.2 A member of a local authority who is not the Chairperson of a District Licensing Committee hearing is entitled to be paid a fee of \$51 per hour or \$408 per day.
- 8.3 Members undertaking District Licensing Committee duties may be reimbursed for preparation time at the above rates.
- 8.4 For any period of District Licensing Committee time that is less than one hour, the fee must be apportioned accordingly.
- 8.5 Members undertaking District Licensing Committee work may be reimbursed for reasonable expenses as determined by the Minister of Justice in accordance with the Cabinet fees framework and set out in the District Licensing Committee expenses claim forms.
- 8.6 Members are also entitled to claim a vehicle mileage allowance for travel by the member as set out in this policy.
- 8.7 District Licensing Committee hearing fees are not payable to the Mayor of a territorial authority.
- 8.8 Members are required to fill out a claim form (A1133337 for members or A1126240 for the Commissioner) to seek payment for District Licensing Committee fees. This form must be submitted to the Manager Consents and Compliance within two weeks of the event being claimed for. Authorisation of claims will be done by the Manager Consents and Compliance.

## **9. Nelson Plan Hearing Fees**

- 9.1 A member of a local authority who participates in a Nelson Plan hearing is entitled to be paid a fee of \$100 per day.
- 9.2 Members participating in Nelson Plan hearings must be accredited.
- 9.3 Members are required to fill out a claim form (A319932) to seek payment for Nelson Plan hearings. This form must be submitted to the Manager Planning within two weeks of the date of the hearing. Authorisation of claims will be done by the Manager Administration.

## **10. Training, Travel and Accommodation**

- 10.1 Council takes a whole of triennium based approach to budgeting for elected members training, travel and accommodation.
- 10.2 This provides a set amount of budget for each member for the triennium. This amount is to be spent at the members' discretion and in line with the agreed criteria for elected members' travel and training (A1103850). Additionally, the guidelines in this policy will be applied by officers when making arrangements or reimbursing expenses.
- 10.3 Any international travel must be approved by Council resolution prior to that travel taking place. This includes all travel for Sister City purposes. See the section of this policy related to international travel for further guidance.
- 10.4 Individual members will be responsible for demonstrating that their selected options align with the agreed criteria, in response to queries from Council, the public, or the media.
- 10.5 Following attendance at an event, elected members will provide a report back to the Chief Executive for sharing with fellow members via the Councillors' Newsletter.
- 10.6 Budget expenditure will be reported quarterly at every alternate ordinary Council meeting.
- 10.7 A one-off funding pool will be available for any other opportunities that may arise, in line with the agreed criteria. Council must formally approve expenditure from this pool in advance, and in line with the agreed criteria, through a Mayor's report. Priority will be given to opportunities that are open to, and will benefit, all elected members.
- 10.8 Elected members may also come back to Council for funding from the one-off funding pool over and above their individual allocation, through a Mayor's report, if they are facing extenuating circumstances or an extra burden in their role as elected member.
- 10.9 To book training, travel or accommodation members are requested to contact the Office of the Mayor to initiate the process with officers.
- 10.10 The following costs will be covered for members attending conferences, seminars and training where applicable:
- Conference/registration fees;
  - airfares;
  - accommodation;
  - meals (excluding mini bar expenses);
  - transportation (buses, taxis, transfers).
- 10.11 It is expected that registrations, travel and accommodation would be pre-booked and charged back to Council so minimal additional reimbursement would be required. Should additional expenses be incurred, members are required to fill out a claim form (A319932) to seek reimbursement. This form must be submitted to the Office of the Mayor within two weeks of the date of travel. Authorisation of claims

will be done by the Manager Administration or an Administration Adviser.

#### 10.12 Applicable claims

10.12.1 The purpose of the expenditure must be clearly stated on the expense claim form. Independent scrutiny of these expense claim forms (including travel) may be carried out by council officers to ensure they meet policy requirements.

10.12.2 Only the actual and reasonable costs of travel, or accommodation expenses and meals will be reimbursed, on the basis of original, itemised GST tax receipts or documentation attached to the claim form. Credit card statements do not constitute adequate documentation for reimbursement. Meals up to the value of the following will be paid per day, except for the circumstances set out in 10.12.5 below: breakfast \$15-\$20, lunch \$10-\$15, dinner up to \$35.

10.12.3 Alcohol purchases will be reimbursed if consumed in moderation (one glass of wine or beer) and accompanying a meal or with prior approval for a specific occasion.

10.12.4 Council will not reimburse any mini-bar expenses as itemised charge-backs not readily available which provides a lack of transparency for these costs.

10.12.5 Separate meal expenses may not be claimed if a meal is provided as part of another package paid by Council, including conference fees.

10.12.6 As members receive a communications allowance which covers mobile devices, no reimbursements are available for telephone calls or internet access while travelling.

#### 10.13 Air Travel

10.13.1 Where a member requires air travel, to the extent practical, this should be booked well ahead of the actual travel to be most cost-effective. Discounted economy or economy class is to be used for journeys of up to 4 hours of uninterrupted flight duration, unless there is a medical, safety or business related reason to make business class preferable. In the rare event business class travel is necessary a clearly explained rationale is required. Membership of airline clubs requires a clear business purpose and approval by the Chief Executive.

#### 10.14 Accommodation

10.14.1 Where a member requires overnight accommodation, this should be cost-effective, but in a convenient location.

#### 10.15 Staying with friends or family

10.15.1 Where a member chooses to stay with friends or relatives at their destination there is to be no payment made for accommodation or related costs. It is accepted as reasonable for Council to reimburse the cost of a moderate gift or equivalent contribution for the host. Actual and reasonable GST tax receipts must be provided to claim for these costs. The cost must be reasonable in relation to the length of the stay

and prior approval must be sought from the Manager Administration or an Administration Adviser.

10.16 Travel at destination

10.16.1 The use of taxis is expected to be moderate, conservative and cost-effective relative to other forms of transport available. Taxis are not to be used for travel between work and home, unless there are exceptional circumstances and this must be approved in advance.

10.16.2 Where a pre-paid card is available for public transport (e.g. buses in Wellington) and taxis, this is the preferred travel option.

10.16.3 Where a member requires a rental vehicle at their destination, it is expected that the most economical type and size of rental car is used, consistent with the requirements of the trip. The driver is expected to pay any fines (parking or traffic offences) incurred whilst using a rental vehicle for business purposes. Private use of a rental vehicle is not permitted, except in exceptional circumstances, and the member must reimburse Council for any additional cost.

10.17 Use of own vehicle

10.17.1 Members who decide to travel significant distances by road instead of by air (for example to Christchurch), will receive cost reimbursement at the level of the cheapest available return flight, rather than the kilometre reimbursement. Reimbursement for travel time will not be applicable in this situation.

10.18 Extended stays before or after the work-related event

10.18.1 Members may choose to book flights for times extending beyond the work-related event, for example to return at the end of a weekend following a conference ending on a Friday, provided there is no additional cost to Council and the arrangement did not give rise to any perception of inappropriateness. The private travel must only be incidental to the Council purpose of the travel. Any costs associated with non-work time are at the expense of the member, apart from reasonable costs that would normally be associated with travel for the work-related purpose, such as transport directly between an airport and the venue.

10.19 International Travel

10.19.1 All international travel must be approved by Council resolution prior to that travel taking place. This includes all travel for Sister City purposes.

10.19.2 The following costs will be covered for members travelling internationally on Council business:

- airfares;
- accommodation;
- meals;
- transportation (buses, taxis, transfers);
- Travel insurance;
- Costs for any visas;
- Conference/registration fees

- 10.19.3 The guidance in the policy will also be applied to international travel.
- 10.20 Travelling spouses, partners or other family members
- 10.20.1 As a general principle, travel costs of accompanying spouses, partners, or other family members will not be paid by Council. In the rare circumstances that involvement of a spouse directly contributes to a clear business purpose, the spouse's travel costs (including what costs will and will not be covered) must be approved by Council resolution prior to that travel taking place.

## **11. Cash advances**

- 11.1 It is not expected that cash advances will be made available to members.

## **12. Reimbursement**

- 12.1 Reimbursements will be paid directly into the member's bank account.

## **13. Tipping**

- 13.1 Tipping is discretionary, and usually undocumented, expenditure. Tipping will not be reimbursed whilst a councillor is in New Zealand for business purposes. Tipping will only be reimbursed during international travel in places where tipping is local practice.

## **14. Koha**

- 14.1 A Koha is a gift, a token, or a contribution given on appropriate occasions. The size of the koha is to be determined by the individual occasion. Koha are not to be confused with any other payments that Council makes to an organisation. All koha need to be approved in advance. Members must approach the Office of the Mayor to initiate this process. The giving of koha is likely to attract withholding tax.

## **15. Meals for Meetings Held in Nelson**

- 15.1 For meetings which continue through normal meal times, members will be provided with a basic meal.
- 15.2 For Resource Consent Hearings, members may be reimbursed for the cost of lunch as appropriate. Members are required to fill out and submit a claim form (A319932) to obtain this reimbursement.

## **16. Giving Gifts**

- 16.1 There may be occasions where a gift is given as a token of recognition of something provided by the recipient or as a customary gesture, such as a gift to a Sister City. Members must ensure that the value of nature of the gift is moderate, conservative and appropriate for the occasion, that there is no expectation of favour in return, and is not given in substitute for a legitimate payment or remuneration. Gifts need to have a justifiable business purpose. The acceptance of gifts is addressed in the Elected Members Code of Conduct (A1181923).

**17. Mayor's Credit Card**

- 17.1 Council provides a credit card for Mayoral use. Use of the credit card must comply with the Nelson City Council Credit Card Use Policy (A18269)

**18. Related policies**

- 18.1 Elected Members Travel and Training Criteria (A1103850)
- 18.2 Elected Members Code of Conduct (A1181923)
- 18.3 Nelson City Council Credit Card Use Policy (A18269)

**19. Related forms**

- 19.1 Elected Members Expenses claim form (A319932)
- 19.2 District Licensing Committee Members Expenses claim form (A1133337)
- 19.3 District Licensing Committee Commissioner Expenses claim form (A1126240)