



AUCKLAND COUNCIL FEES FRAMEWORK AND EXPENSES POLICY FOR APPOINTED MEMBERS

**Final draft to Finance and Performance Committee
23 May 2017**

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Purpose of this policy

1. The purpose of this policy is to:
 - identify appointed members' allowances and entitlements
 - explain the process for reimbursement of expenses incurred by appointed members when undertaking their duties.
2. Auckland Council's Democracy Services department administers this policy. For queries on the policy please contact

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3. Other Auckland Council documents containing information relevant to this policy include the:
 - Code of Conduct for appointed members
 - Terms of Reference for Auckland Council Demographic Advisory Panels 2016-2019
 - Terms of Reference for Auckland Council Heritage Advisory Panel 2016-2019
 - Terms of Reference for Auckland Council Rural Advisory Panel 2016-2019
 - Auckland Council Catering Policy
 - Regulatory Committee Policy
4. This policy may be reviewed regularly and is current until superseded.

Scope

5. The Auckland Council Fees Framework is used for setting the fees of appointed members of committees, advisory panels or boards which have been established by:
 - the Mayor
 - the Governing Body
 - a committee of the Governing Body
 - a local board
 - a committee of a local board.
6. The Framework does not apply:
 - if payment is set by the Remuneration Authority, or by legislation
 - if payment is made from some other source (for example if members are paid to attend by their employer or the organisation they represent)
 - to any appointments made by the Mayor, Governing Body or a local board to an outside organisation
 - if the Governing Body has formally resolved a different form of payment
 - if payments are made on a contractual basis (for example the members of the Code of Conduct Independent Review Panel submit invoices).
7. For the avoidance of doubt, the Framework applies to independent hearings commissioners appointed by the Governing Body or one of its committees.
8. The expenses policy sets how appointed members can be reimbursed for expenses they may incur while on council business. Reimbursement and use of council-supplied resources apply only to appointed members personally, and only while they are acting in their official capacity as appointed members.
9. Transparency and accountability guide the reimbursement of appointed members' expenses. The council's internal audit work programme includes annual testing of expense claims and allowances paid to elected and appointed members and staff. External auditors also regularly review elected and appointed members' expenses.

Auckland Council Fees Framework

Principles

10. The Auckland Council Fees Framework is aligned to the Cabinet Fees Framework¹, which is used by many Government bodies whose fees are not determined by the Remuneration Authority. The Auckland Council Fees Framework ensures consistency between fees paid to appointees to Auckland Council bodies and fees paid by Government to those on entities in which the Crown has an interest.
11. Most appointments made by Mayor, the Governing Body or local boards will be to bodies which can be described as "Group 4 - all other committees and other bodies" within the Cabinet Fees Framework. The assessment criteria for Group 4 have been adapted for Auckland Council use.

¹ <https://www.dpmc.govt.nz/cabinet/circulars/co12/6>

12. Fees paid to appointed members under the Auckland Council Fees Framework will be adjusted in line with changes to fees paid under the Cabinet Fees Framework. The Cabinet Fees Framework was last reviewed in December 2012.
13. If the Cabinet Fees Framework is not updated often enough for the needs of Auckland Council and a deviation is needed, it will be submitted to the Governing Body for approval.
14. All meeting fees must be claimed in the financial year the meetings take place, or, if the meeting takes place in the last month of the financial year, within 30 days of that meeting. Any claims on meeting fees for the previous term or previous financial year may be accepted in exceptional circumstances on a case by case basis, with the approval of the General Manager Democracy Services.
15. Members of bodies may opt not to get paid meeting fees by not submitting the required forms.

Fees assessment process

16. The body (committee, panel) will be scored on the following factors:
 - skills, knowledge and experience required of members
 - function, level and scope of authority
 - complexity of issues
 - public interest and profile.
17. The assessment criteria are attached as Appendix A.
18. The resulting total score is used to identify a remuneration band within the Cabinet Fees Framework. The Mayor, Governing Body or local board decides the remuneration to be paid from within that band.

Daily rates

19. The remuneration bands are expressed as daily rates.
20. A daily rate is a good basis for calculating fees to be paid for attending meetings of groups such as panels. This is because the length of a meeting tends to be consistent from month to month. A meeting fee, based on the daily rate, is set and applied to scheduled meetings and workshops.
21. Where a fee is based on a daily rate, it is expected that a working day is about 8 hours, and the daily fee is calculated on this basis. Work for longer than 8 hours in one day does not attract an extra payment.
22. The daily fee applies to all work, including that performed outside of meetings (e.g. preparation, representing the body at other forums, or administrative work) that is required for the body to carry out its role. All work that is required to be performed for the body by the member should be paid at the approved daily rate.
23. Where a total of 6 hours is worked in one day, a daily fee may be paid. It is accepted that it may not be possible for a member having worked 6 hours in one day on body business to return to other paid work. Where a member spends time, for example one evening, preparing for a meeting the next day, if the preparation and meeting time combined were between 6 and 8 hours, then one daily fee would be paid for the combined preparation and meeting time.
24. Work other than preparation for meetings must be approved and minuted by the body **before** it is undertaken. Individual members should not be in a position where they could be considered to be setting their own work programmes without the endorsement of the body. The ability of the body to approve additional meetings or work is subject to agreement by the council.

Hourly rates

25. Hourly pro-rata rates are calculated by dividing the daily rate by 8 and multiplying by the number of hours worked.

26. An hourly rate is a good basis for calculating fees paid to independent hearings commissioners. An hourly rate requires the submission of a statement of hours worked before each payment.

Annual fee

27. An annual fee is calculated by multiplying the daily rate by the number of days that will be worked during the year.
28. An annual fee is a good basis for calculating fees paid where a meeting fee does not properly cover all work. Chairpersons of panels receive a higher meeting fee than ordinary members. The higher fee recognises the additional responsibilities of chairpersons. However, it may be deemed more appropriate to pay a chairperson an annual fee in particular circumstances.
29. The annual fee needs to be adjusted in the following ways if there is significant absence:
- where absence is for a continuous period of more than two months, the annual fee should be pro-rated (e.g. an absence of two months would result in payment of 10/12 of the annual fee)
 - where absence is not necessarily continuous but is frequent over the period of a year, the annual fee should also be pro-rated if the total of monthly meetings missed exceeds three.

General absence

30. Where a member fails to attend a significant number of meetings, or otherwise perform their duties as a member, the chair needs to raise the issue of expectations about performance with the member and if necessary with the General Manager Democracy Services. Consideration should be given at the time of reappointment of members to the issue of continued absences from body business.

Time spent in travelling to and from meetings

31. The time spent travelling to and from meetings is not paid. However, reimbursement for the costs of travel within the Auckland region is through a mileage allowance set in this document.

Deputy chair or co-chairs

32. Where a body appoints a deputy chair who shares the business workload with the chair between meetings, an additional fee of 25% of a member's fee will be paid.
33. Where a body does not appoint a deputy chair, then in any instance where a member chairs a meeting that member will receive the daily rate of the chair for that meeting.
34. Where a body appoints co-chairs, the fee for each co-chair will be calculated as follows:
(chair fee + deputy chair fee) ÷ 2.

Fees for independent hearings commissioners

35. Since 2010 fees for independent hearings commissioners have been:
- \$170 per hour for chairpersons of hearings panels and sole commissioners
 - \$150 per hour for commissioners who are members of a hearings panel.
36. Any fee changes will be approved by the Governing Body or a Committee of the Whole, based on an assessment of the market for independent commissioners.

37. On 23 May 2017, the Finance and Performance Committee approved a fee increase of 10 per cent in accordance with section 36 above [Ref to be inserted]. The fee increase will apply from 1 July 2017. The new fees are:
- \$187 per hour for chairpersons of hearings panels and sole commissioners
 - \$165 per hour for commissioners who are members of a hearings panel.

Expenses policy

Principles

38. To be approved and reimbursed, expenses must:
- be moderate and reasonable having regard to the circumstances, i.e. able to pass the test of being prudent use of ratepayers' money under public scrutiny
 - have a justifiable council-related business purpose; this does not include events where the primary focus is on social activity or electioneering
 - be justified by an original tax receipt, presented on the Auckland Council claim form and signed as true and correct
 - be approved by the relevant authoriser or through a formal process
 - be within relevant budget provisions
 - be claimed within the same financial year the expenses are incurred, or, if they are incurred in last month of the financial year, within 30 days after year end. Any claims on expenses for the previous term or previous financial year may be accepted in exceptional circumstances, and on a case by case basis, with the approval of the General Manager Democracy Services.

Mileage allowance

39. A mileage allowance is payable for any travel within the Auckland region that is required to perform the member's role as an appointed member. This includes travel between home (or workplace if the member travels from work to a designated council meeting place) and meetings.
40. For members who are not self-employed, the rate is the same rate as the rate set by the Remuneration Authority and paid by Auckland Council to elected members, being \$0.74/km as of March 2017.
41. A self-employed person may opt to not be paid the mileage allowance in order to claim the cost of mileage in the person's annual return to the IRD.

Public transport and taxis

42. Members are expected to use either their personal vehicle or the cheapest form of public transport for undertaking council business.
43. A member who uses buses or trains in order to undertake council business, including travel between home and meetings within the Auckland region, may submit receipts or AT Hop card statements for reimbursement.
44. A member who is under 18 years of age, or a member with a disability who is unable to use public transport or drive his or her own vehicle, and who wishes to use a taxi to undertake council business must obtain prior approval from the council staff support for that meeting. Staff will issue a taxi voucher or approve the member lodging a claim for the expense.

Parking

45. Members will be reimbursed for personal costs of parking in order to undertake council business. The method of reimbursement will be arranged by Democracy Services.

Meals

46. All meals associated with meetings of groups and panels will be provided by Democracy Services and will not be a personal cost to members. A member intending to claim for the cost of a meal should receive prior approval from the council staff support for that meeting. The meals and associated costs will comply with the Auckland Council Catering Policy.

Reasonable accommodations

47. Article 2 of the United Nations Convention on the Rights of Persons with Disabilities, which has been ratified by New Zealand, defines reasonable accommodation as necessary and appropriate modification and adjustments, not imposing a disproportionate or undue burden, where needed in a particular case, to ensure to persons with disabilities the enjoyment or exercise on an equal basis with others of all human rights and fundamental freedoms.²
48. Auckland Council is committed to supporting appointed members with a disability to perform their role by providing reasonable accommodations. Auckland Council provides New Zealand sign language interpreters at scheduled meetings attended by an appointed member with a hearing impairment.
49. Auckland Council may pay fees and expenses for a support person, if that support person is required to assist an appointed member with a disability to perform his or her role when attending meetings. The General Manager Democracy Services will decide whether fees and expenses should be paid based on the definition in paragraph 47.
50. The fee for a support person will be 50% of the member's fee (less any applicable taxes). The expenses of a support person will be reimbursed as outlined in this policy.
51. The method of payment will be arranged by Democracy Services.

Other costs

52. For independent hearings commissioners residing outside Auckland, reimbursement of travel and accommodation expenses need to be agreed with Democracy Services prior to travel.
53. All other personal expenditure arising from undertaking council business will require prior approval from Democracy Services.

² http://www.ombudsman.parliament.nz/system/paperclip/document_files/document_files/1818/original/reasonable_accommodation_of_persons_with_disabilities_in_new_zealand_full_guide.doc?1480637337

APPENDIX A - Assessment criteria

Skills, knowledge and experience required of members

Skills, knowledge and experience will vary between members on a particular body. The score below should reflect the level of skill **required by the majority** of members, and should not be based on any particular individual. This factor has a higher weighting than others, to reflect that it is the **application** of the skills, knowledge and experience in carrying out their responsibilities that is a major contributor to the successful operation of the committee or body.

	Definition	Score
Pre-eminent	Outstanding and authoritative knowledge, recognised nationally and internationally for expertise in a particular field.	12
Distinguished	Deep and broad knowledge in a specific area or as a leader. Widely respected as a subject matter expert or authority in their field.	10
Substantive	Substantial range of knowledge and experience in a field or professional discipline sometimes associated with senior level functional or technical leadership, executive management or governance roles. May include widely respected people with broad community support.	8
Technical	A number of years' experience in a technical, professional field or in a leadership role is a pre-requisite.	6
Specialised experience	No specific experience is required but members would have broad general knowledge and may represent a body of opinion.	4

Function, level and scope of authority

	Definition	Score
Strategic decisions	Sets policy or work programme for a major area of economic activity or policy area of importance to the Council's strategic priorities.	6
Policy decisions	Sets policy or work programme and/or exercises regulatory/disciplinary powers.	5
Expert advice	Provides expert counsel and advice to the Mayor, Governing Body or local boards on technical or policy issues that are of strategic importance. At this level the body would be expected to be proactive in identifying emerging issues and contributing to policy direction.	4
Professionally targeted	Exercises regulatory/disciplinary powers at the individual/professional level. This will include the power to impose sanctions.	3
Technical	Provides a broad range of advice on technical and/or policy issues.	2
Ad hoc	Provides ad hoc advice on minor matters. Generally a limited focus at a single output level.	1

Complexity of issues

	Definition	Score
Innovative	The development of new concepts is required to find innovative and pathfinding solutions. There will be little or no external guidance (NZ or internationally) to aid resolution of these issues.	5
Constructive	The development of new policy or advice is required where the issues are complex, multidimensional and involve substantial research, consideration of possible alternatives and their consequences. The body may commission research or utilise the findings to inform their policy development or advice.	4
Evaluative	Issues will include circumstances, facts and concepts different to those that have been experienced in the past. Analytical thinking and evaluative judgement will be required to identify realistic alternatives and apply/recommend a solution.	3
Judgement	Solutions will be found from application of professional or personal judgement and generally guided by previous decisions. Circumstances may be different from those previously experienced but there will be a sufficient frame of reference to make a considered decision/recommendation.	2
Operational	Issues to be resolved are generally within existing policy and prior decisions. Decisions can generally be made quickly and with reasonable certainty.	1

Public interest and profile

	Definition	Score
Widespread	Widespread public interest in outcomes would be expected. Members will attract strong media interest. Potential risk to personal and/or the body's reputation is high.	5
Strong	Strong public and stakeholder interest and importance would be associated with these issues. Media interest would also be expected, but potential risk to personal or the body's reputation is unlikely.	4
Moderate	Moderate but widespread public interest is likely. Reputational risk is minimal.	3
Limited	Public interest is likely to be limited, but the issues would be of interest to other members of the particular profession or sector.	2
Little	There is likely to be little or no wider public interest in the decisions.	1

Fee levels

Total score	Level	Fees range - Chair	Fees range - members
24 – 28	1	\$500 - \$1,062	\$375 - \$800
20 – 23	2	\$360 - \$818	\$270 - \$518
15 – 19	3	\$260 - \$530	\$190 - \$364
10 – 14	4	\$230 - \$336	\$175 - \$252
9 or less	5	\$190 - \$245	\$140 - \$190

Notes

Fees are daily rates.

Fees are as set out in the Cabinet Office Circular CO (12)6, dated 19 December 2012, for Group 4 bodies.

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APPENDIX B – Determination of fees

Ethnic Peoples, Pacific Peoples, Senior, Disability Advisory Panels

Skills, Knowledge & Experience	The panels include widely respected community leaders in their various communities of interest.	8
Function, Level & Scope	The panels provide advice on a range of policy matters that are relevant to the communities they represent.	2 – 4
Complexity of Issues	Analytical thinking and evaluative judgement are required to consider alternatives and make recommendations.	3
Public Interest and Profile	There is widespread public interest in their work and reputational risk is moderate to high.	3 – 4
TOTAL		16 - 19

Equivalent daily rates

Remuneration level	Chair	Member
3	\$260 - \$530	\$190 - \$364

Fees for these panels will be based on the maximum daily rates for this level (\$530 for chair and \$364 for member). The daily rate constitutes 8 hours. A meeting fee is calculated by applying the equivalent hourly rate to the average length of a meeting, including preparation time.

Meeting fees

	Meeting fee
Member (based on 5.5 hours per meeting including preparation)	\$250
Chair (based on 8 hours per meeting including preparation)	\$530

Where meetings are regular and can be forecast, it may be possible to convert the meeting fee into an annual fee. Whether panel members are paid a meeting fee or annual fee will be assessed by the General Manager Democracy Services, taking into account the frequency of meetings and likely regularity of attendances.

Youth Advisory Panel

This panel consists of members from the youth community. The purpose of the panel is to not only advise the Council of youth issues but to provide a learning experience for the members.

Skills, Knowledge & Experience	No specific experience is required but members would have broad general knowledge and may represent a body of opinion.	4
Function, Level & Scope	Provide advice on a range of policy matters that are relevant to the communities they represent.	2
Complexity of Issues	Analytical thinking and evaluative judgement are required to consider alternatives and make recommendations.	2 - 3
Public Interest and Profile	Public interest is likely to be limited, but the issues would be of interest to other members of the youth community	2
TOTAL		10 - 11

Equivalent daily rates

Remuneration level	Chair	Member
4	\$230 - \$336	\$175 - \$252

Fees will be based on the maximum daily rates for this level (\$336 for chair and \$252 for member). The daily rate constitutes 8 hours. A meeting fee is calculated by applying the equivalent hourly rate to the average length of a meeting, including preparation time.

Meeting fees

	Meeting fee
Member (based on 5.5 hours per meeting including preparation)	\$173
Chair (based on 8 hours per meeting including preparation)	\$336

Where meetings are regular and can be forecast, it may be possible to convert the meeting fee into an annual fee. Whether panel members are paid a meeting fee or annual fee will be assessed by the General Manager Democracy Services, taking into account the frequency of meetings and likely regularity of attendances.

Other panels

Advisory panels may be established from time to time for various purposes during a term of the council. The General Manager Democracy Services will determine what fees will be paid in accordance with this Framework.

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