



**AUCKLAND COUNCIL
FEES FRAMEWORK AND EXPENSES POLICY FOR
APPOINTED MEMBERS**

May 2014

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This document sets out the policy on payment of fees and expenses to appointed members.

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This policy may be reviewed annually and is current until superseded.

What this document covers

Auckland Council Fees Framework

1. 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.
2. 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 a professional consultant is paid by his or her employer to attend)
 - to any appointments made by the 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).

Expenses policy

3. The Expenses Policy sets out the criteria and type of expense that will be reimbursed and applies to all appointed members, unless personal expense is compensated in some other way.

Auckland Council Fees Framework

4. The Auckland Council Fees Framework is aligned to the Cabinet Fees Framework, 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.
5. Most appointments that are made by 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 use by Auckland Council. Fees paid 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.

Assessment process

6. 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.
7. The assessment criteria are based on the Cabinet Fees Framework but modified for Auckland Council. The assessment criteria to be used for scoring are attached as Appendix A.
 8. The resulting total score is used to identify a remuneration band within the Cabinet Fees Framework. The Governing Body or Local Board decides the remuneration to be paid from within that band.

Daily rates

9. The remuneration bands are expressed as daily rates.
10. 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 all meetings.
11. 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.
12. 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.
13. 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.
14. 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

15. Hourly pro-rata rates are calculated by dividing the daily rate by 8 and multiplying by the number of hours worked.
16. An hourly rate is a good basis for calculating fees paid to independent planning commissioners. An hourly rate requires the submission of a statement of hours worked before each payment.

Annual fee

17. An annual fee is calculated by multiplying the daily rate by the number of days that will be worked during the year.
18. 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.
19. 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

20. 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 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

21. The time spent travelling to and from meetings is not paid. However, reimbursement for the costs of travel is through a mileage allowance payable under the Expenses Policy.

Deputy chair

22. 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.
23. 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.

Independent Planning Commissioners

24. In 2012 a survey of fees paid to independent planning commissioners was carried out by Strategic Pay Ltd across 26 councils. Strategic Pay assessed commissioners as belonging to Group 2 – “Statutory Tribunals and Authorities” within the Cabinet Fees Framework. Based on the findings of that survey, fees were established of:
- \$170 per hour for chairpersons of hearings panels and sole commissioners
 - \$150 per hour for commissioners who are members of a hearings panel.
25. These current fees will continue, but will be aligned to any increases in the Cabinet Fees Framework, such that fees will increase by the same percentage as those within the Group 2 category (“Statutory Tribunals and Authorities”) of the Cabinet Fees Framework.

Expenses Policy

Principles

26. The principles on which reimbursement of expenses will be approved are:
- Payments will be for actual and reasonable expenses; this requires receipts to be produced and expenditure to be modest
 - For members of groups such as panels, work conducted other than attending the normal monthly meetings, must be properly approved and minuted prior to the work being carried out.

Mileage allowance

27. A mileage allowance is payable for any travel that is required to perform the member's role as an appointed member. This includes travel between home and meetings.
28. The rate for members who are not self-employed, is the IRD rate for employers reimbursing employees, currently being 77 c/km.
29. 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

30. Members are expected to use either their personal vehicle or the cheapest form of public transport for undertaking Council business.
31. A member who uses buses or trains in order to undertake Council business, including travel between home and meetings, may claim for reimbursement by submitting receipts.
32. A member wishing to use a taxi to undertake Council business must obtain prior approval from the Council staff support for that meeting, who will issue a taxi voucher or approve the member lodging a claim for the expense.

Parking

33. 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

34. All meals associated with meetings of groups and hearings 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.

Other costs

35. All other personal expenditure arising from undertaking Council business will be reimbursed in accordance with the principles.

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.

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	Proposed	Previous term
Member (based on 5.5 hours per meeting including preparation)	\$250	\$235
Chair (based on 8 hours per meeting including preparation)	\$530	\$235 per meeting or \$7,000 pa ¹

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 Manager Democracy Services, taking into account the frequency of meetings and likely regularity of attendances.

Where a deputy chair is appointed to share the workload of the chairperson throughout the term, he or she will receive a payment that is 25% higher than that of a member.

¹ Panel chairs received the members' meeting fee except for the chairpersons of the former Ethnic and Pacific Peoples Advisory Panels who received annual fees of \$7,000.

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	Proposed	Previous term
Member (based on 5.5 hours per meeting including preparation)	\$173	Nil
Chair (based on 8 hours per meeting including preparation)	\$336	Nil

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 Manager Democracy Services, taking into account the frequency of meetings and likely regularity of attendances.

Where a deputy chair is appointed to share the workload of the chairperson throughout the term, he or she will receive a payment that is 25% higher than that of a member.

Other panels

Panels are established from time to time for various purposes. The Manager Democracy Services will determine fees to be paid that are consistent with this Framework.

Additional work

Where work is undertaken with prior approval and a meeting fee is not appropriate in the circumstances, the Manager Democracy Services may determine payment on an hourly rate based on the daily rate, subject to the terms of reference for the panel as agreed with the Council (refer paragraph 14 above).