

### **LOCAL GOVERNMENT ELECTED MEMBERS REMUNERATION FROM ELECTIONS 2013 (EXCLUDING AUCKLAND)**

This email is being sent to all Mayors and Chairs of Territorial, Unitary, and Regional councils as well as the Chief Executives of the councils.

Its purpose is to:

- advise of Frequently Asked Questions being posted on the Authority's website,
- advise of processes for the approval of additional remuneration for additional responsibilities, and
- clarify the position where councils have a change in the number of councillors or community board members.

#### ***Frequently Asked Questions***

A new document has been put on the Authority's website giving answers to frequently asked questions regarding the setting of remuneration for elections 2013, and the process for approval of additional remuneration for community boards and councillors with positions of additional responsibility.

The link to the document is <http://remauthority.govt.nz/documents/faq-local-authority-elected-member-remuneration-setting-2013-exclsAucklandCouncil.pdf>

#### ***Approval of Additional Remuneration***

The Authority is developing a spreadsheet for councils to fill in to make their recommendations for:

- additional remuneration for councillors with additional positions of responsibility (if any), and
- additional remuneration for community boards with demonstrable additional responsibilities over and above those set out in the Local Government Act.

The link to the spreadsheet and instructions will be advised shortly.

The Authority will not start considering the submissions until it has a significant number of responses. This is to ensure a consistent approach is taken to considering each council's submissions.

We will be asking for all submissions to be with us by Friday 19 July, so that we can get a determination out well before the elections.

#### ***Representation Changes***

The Authority was aware that some councils may have had a change to the number of elected representatives since 2012.

The calculation of the 2013 raw councillor salaries, 2013 unadjusted community board member salaries, and the level of adjustment to those amounts, were independent of the number of councillors for any one council, or the number of community board members for any one community board.

In deciding on levels of adjustment required to satisfy the Authority's responsibilities towards ratepayers and incumbents, as well as having regard to adverse economic conditions, we looked at overall figures across all councils and community boards. We did not take into account each individual council's, or community board's, change in total remuneration costs.

Therefore, the fact that a council has had a change in number of councillors does not affect the final base councillor salary that we have determined for that council.

Similarly, the fact that a community board has had a change in number of members does not affect the final member salary that we have determined for that community board.

Kind regards

**John Errington**

Chairman, Remuneration Authority

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## GUIDANCE ON ADDITIONAL 2013 REMUNERATION FOR COUNCILLORS AND COMMUNITY BOARDS

### INTRODUCTION

1 The Remuneration Authority has advised councils of their base councillor and base community board salaries for 2013, to apply immediately after the local body elections in October 2013.

2 **All** councils are now required to advise the Remuneration Authority whether they are seeking extra pay for councillor and community board positions/roles of additional responsibility.

3 If councils do not intend to seek extra pay, there is still a requirement to advise the Authority that is the case, by completing several questions in the required template.

4 If councils intend to submit proposals for extra pay, guidance is provided below in paragraphs 12-27 on the information required to complete the template.

5 The Remuneration Authority has received queries on the pre-election timing of proposals on extra pay, as some councils may change positions or roles of additional responsibility after October 2013. The Authority is requesting proposals now, for inclusion in its 2013 Determination to apply after the local body elections, as:

- past experience has demonstrated that the majority of councils do not significantly change their governance structure after the elections
- the Authority believes it is important that candidates are fully informed of the remuneration they will receive if elected
- until the positions or roles of additional responsibility are reflected in the Authority's formal Determination, those holding such positions or roles cannot be paid accordingly
- past experience has also shown there can be considerable delay in confirming remuneration in an election year (until at least the following February) due to the timing of council and community board meetings, closeness of the elections to the Christmas break, and the errors that often require follow-up by the Authority. This can disadvantage those elected members who are dependent on council remuneration as their principal form of income.

6 If any council decided to restructure duties among members immediately after the election it may submit a proposal to the Authority, which can be dealt with by way of an amendment to the Determination.

### TEMPLATE FOR COMPLETION

7 The template is an excel workbook, titled "Template Additional Responsibilities for Councillors and Community Boards". The template has been emailed to councils and can also be downloaded from the front page of the Remuneration Authority's website:

<http://remauthority.govt.nz>

8 Please ensure the template is used as it will help to ensure that councils provide accurate and consistent information to assist the Authority with making its decisions.

9 The template comprises two worksheets; one for councillors and one for community boards. Councils should rename the blank template to incorporate their name, e.g. "Council X Template for Councils Seeking Additional 2013 Remuneration". The completed template should then emailed to:

info@remauthority.govt.nz

10 All responses, including any specific proposals, must be submitted **by email** to the Remuneration Authority by 5.00pm on **Friday 19 July 2013**. Adhering to this timeframe and submitting the information in electronic form will ensure prompt issuing of the Authority's 2013 Determination.

### **INFORMATION REQUIRED FROM COUNCILS NOT INTENDING TO SUBMIT PROPOSALS FOR EXTRA PAY**

11 If councils are not intending to submit any proposals for extra pay, only a limited number of questions need to be answered:

- a) on the councillor worksheet, the question in Q2 as to whether any extra pay is being sought, and
- b) on the community board worksheet:
  - (i) Q2 as to whether the council has any community boards
  - (ii) if the answer to Q2 is yes, then respond to Q3 and Q4 regarding the community board name and chairperson
  - (iii) confirmation in your response to Q5 that no extra pay is being sought.

### **INFORMATION REQUIRED IN TEMPLATE FROM COUNCILS SUBMITTING PROPOSALS FOR EXTRA PAY**

#### **General**

12 The template requests specific information that must be provided for *every* councillor position of additional responsibility or community board role of additional responsibility.

13 Some examples have been provided in the attached copy of the template to illustrate the kinds of information and level of detail required. They are not necessarily examples of what the Remuneration Authority would approve. As mentioned further below each proposal is considered on a case by case basis.

14 Please note that the Authority would prefer **not** to receive copies of documents that include the information that is being sought and be told to refer to those documents. The relevant information should be inserted (summarised if appropriate) in the template.

15 Further detailed information is provided in the Remuneration Authority's May 2013 document *Local Authority Elected Member Remuneration Setting 2013 (excluding Auckland Council) - Answers to Frequently Asked Questions*, on both the kinds of additional responsibilities that might be recognised and the levels of extra pay that would be approved.

Information responding to questions 5-15 of that document specifically relate to Councillors. Information responding to questions 18-21 specifically relates to Community Boards. Councils should be familiar with that information before attempting to complete their proposals for extra pay. Some of the key points are summarised below for ease of reference.

### **Extra Pay for Councillors**

16 In addition to their base salary, Councillors can receive extra pay for:

- positions of additional responsibility (including deputy mayor/deputy regional chairperson) and/or
- taking on significantly extra duties during the District Plan process.

17 A council may draw on a pool of funds to provide additional pay for those who take on any of the above positions. A pool equivalent to 1.5 times of one base councillor salary is available to every council. For example, if the base salary for a councillor is \$40,000, then the total pool for that council which could be used for additional pay will be capped at \$60,000.

18 The Remuneration Authority has identified the commonly required roles of deputy mayor/chairperson and committee chairperson/portfolio holder. Anticipated responsibilities for such roles can be found on pages 23-24 of the Authority's April 2013 document *Local Authority Elected Member Remuneration Setting 2013*.

19 There may also be additional positions such as membership of specialist panels, working parties and external bodies. These are likely to vary from council to council. Before approving any additional pay the Authority would expect to see evidence of significant extra workload and/or responsibility required on an ongoing basis to carry out such positions. This could include the need to attend regular additional meetings, or to gain a technical knowledge base for a particular field of expertise.

20 It is expected that:

- additional remuneration for a deputy mayor will not exceed 40% of the base councillor salary, and
- additional remuneration for committee chairpersons or portfolio leaders or other councillor positions of additional responsibility will be between 5% and 25% of the base councillor salary.

21 An example of how the above parameters might work follows.

- Council A has 10 councillors, each starting with a base salary of \$40,000.
- The Council has a total pool of up to \$60,000 (i.e. 1.5 times the base councillor salary) to allocate to some or all of its 10 councillors for positions with extra responsibility.
- The Council wishes to pay its Deputy Mayor an additional \$10,000 for carrying out the responsibilities of that role. That is 25% of the base councillor salary of \$40,000.
- The Council has up to \$50,000 remaining to allocate to its councillors for any positions of additional responsibility.
- The Council wishes to pay three of its councillors an extra \$5,000 each (being 12.5% of the base councillor salary) each to undertake additional responsibilities as chair of a standing committee.

- That leaves the sum of \$35,000 that could be allocated to councillors for undertaking significant extra duties around the District Plan process.

### **Extra Pay for Community Boards**

22 If a community board has additional levels of responsibility, then the Authority may approve extra pay for that board in addition to its base salary. All proposals for extra pay for community boards must come from the relevant council.

23 The additional responsibilities must be to the board as a whole and not to individual members.

24 Councils should note that the Remuneration Authority will not automatically approve extra pay for community boards. Each proposal will be considered on a case by case basis. Evidence will be required to show how any community board is significantly operating above and beyond the role of community boards as outlined in section 52 of the Local Government Act 2002. Factors that the Remuneration Authority will take into account include:

- the implications for overall workload, such as significant additional hours required
- whether the additional responsibility is an ongoing one
- the extent to which the community board's members' 2013 base salary was modified upwards or downwards from its unadjusted 2013 members' salary.

25 The maximum percentage that can be added to the base community board member salary will be 30%. The maximum would only be approved, however, for roles where significant and easily recognisable additional responsibility had been proven.

26 It is not expected that any core council responsibilities would be delegated from a council to its board(s) as that would be seen as reducing the role of the council.

27 Additional pay for community boards cannot be drawn from the pool of 1.5 times the basic councillor salary that can be used for councillor positions of additional responsibility, i.e. it is over and above the maximum amount of the councillor pool.

### **QUERIES**

28 Any queries on completing the attached template can be emailed to:

[info@remauthority.govt.nz](mailto:info@remauthority.govt.nz)

Remuneration Authority  
29 May 2013

## ADDITIONAL COMMUNITY BOARD RESPONSIBILITIES (EXAMPLE)

Note: a) a new column for each additional Community Board role is required to be completed  
b) extra pay cannot be sought for individual board members; it must be for the whole board

	EXAMPLE	EXAMPLE	EXAMPLE
Q1 NAME OF COUNCIL	Council X	Council X	Council Y
Q2 NUMBER OF COMMUNITY BOARDS <i>If response is "0" then no further information is required</i>	2	2	1
Q3 NAME OF COMMUNITY BOARD	Community Board 1	Community Board 2	Community Board 1
Q4 COMMUNITY BOARD CHAIR <i>Confirmation the board chairperson is carrying out the additional roles as set out in Appendix B of the Remuneration Authority's April 2013 document "Local Authority Elected Member Remuneration Setting 2013 (excl. Auckland) YES/NO</i>	Yes	Yes	Yes
Q5 IS ANY EXTRA PAY FOR COMMUNITY BOARD ROLES OF ADDITIONAL RESPONSIBILITY BEING SOUGHT? YES/NO <i>If ""no"" then no further information is required"</i>	Yes	No	Yes
Q6 ADDITIONAL ROLE OR RESPONSIBILITY <i>Describe the role and list the additional responsibilities</i>	<p>Extensive delegations to make significant decisions on many of the facilities and services located within the board's ward, as follows:</p> <p>a) all local governance decisions relating to: local transportation; local community grants; airfields; community centres and halls; harbour facilities; cemeteries; local strategic planning; local economic development; parks and reserves ("Local" refers to decisions that do not have an impact on the wider provision of these services beyond the community board area)</p> <p>b) develop proposed budgets for local activities that would generally be approved by Council subject to affordability</p> <p>c) develop proposed fees and charges for adoption by Council.</p> <p>For the avoidance of doubt, community boards have authority to:</p> <p>a) approve all local activity levels of service (LOS)</p> <p>b) develop and approve local activity policies including Reserve Management Plans</p> <p>c) approve project definitions for all local activities</p> <p>d) recommend to council the level of bylaw service and enforcement to be provided within the community.</p>		<p>The Board has been directed by the Council to lead and facilitate consultation with local residents, ratepayers, iwi, community groups and other stakeholders on local issues and local aspects of district issues.</p> <p>This includes consultation on significant issues such as the Council's 10 Year Plan and Annual Plan processes.</p> <p>The Board has also been delegated authority by the Council to develop a Community Board Plan for inclusion in the Council's 10 Year Plan and Annual Plan processes. As a minimum the Community Board Plan will include variations to local service levels, proposed projects, the relative project priorities and the estimated project cost for the community board area. This plan draws on the facilitated consultation referred to above.</p>

Q7 DOCUMENTATION <i>Council minutes of the ceding of those levels of responsibility from council</i>	Council minutes of 9 March 2013 confirm the above delegations and responsibilities	Council minutes of 22 April 2013 confirm the above delegations and responsibilities.
Q8 VARIATION <i>Extent to which the additional responsibilities can vary</i>	The community board is required to exercise these delegations on a regular basis, i.e. during most if not all formal board meetings.	Facilitating consultation on various local issues is constant. Facilitating consultation for input to the Council's Ten-Year Plan tends to peak every three years. Facilitating consultation for input to the Council's Annual Plan process is annual.
Q9 BENEFITS TO RATEPAYERS <i>List the perceived benefits to ratepayers in having the additional role/ responsibilities</i>	Community empowerment by governance decisions being made at the lowest level. More timely decision-making due to no further level of decision-making being required by council	Providing local leadership and developing relationships with the council, community and community organisations in developing local solutions.
Q10 ADDITIONAL TIME <i>Estimated extra time involved in carrying out the extra responsibilities</i>	20%	15%
Q11 SHARING OF RESPONSIBILITIES <i>How the responsibilities are shared amongst the board members</i>	The community board collectively exercises its delegations at formal board meetings.	Consultation can be through regular attendance at community group meetings by individual board members (all board members are assigned to at least one group). Prior to the 10 Year Plan and Annual Plan processes all board members attend workshops and forums with the community to discuss issues of concern/priority. The board chairperson usually chairs these workshops and forums.
Q12 BASE COMMUNITY BOARD SALARY <i>The 2013 base community board salary for this board</i>	15,000	9,800
Q13 RECOMMENDED ADDITIONAL PAY <i>Amount recommended for additional pay per board member</i>	xx	xx