

REPORT

Date : 30 May 2019

To : Ordinary Council Meeting, 4 June 2019

From : Finance, Systems and Property Group Manager, Michael Homan

Subject : **PROPOSED CHANGES TO ELECTED MEMBER REMUNERATION**

File ID : A168954

EXECUTIVE SUMMARY

The remuneration for the Mayor and elected members is set by the Remuneration Authority. Following a review of the remuneration setting process for elected members, the Remuneration Authority advised all Mayors and CEOs in early March 2019 of proposed changes. These changes, once confirmed, will become effective from 1 July 2019 with a second amendment following the 2019 Local Government Elections.

The advice in March from the Remuneration Authority was made in confidence. Staff, however, are now required to make the level of remuneration publically known as part of this year's Candidates Handbook which has recently been approved by Election Services for use.

This report outlines the proposed changes to elected member remuneration.

PURPOSE

This report advises elected members of the proposed changes to remuneration setting effective from 1 July 2019 and again following the 2019 Local Government election.

BACKGROUND

Since the last Local Government election the Remuneration Authority has reviewed the method of remuneration setting for Elected Members.

The Remuneration Authority have proposed, following the 2019 Elections, to implement a “governance pool” system which is allocated to each council aligned with the ranking of that council based on a size index and within a framework of the new local government pay scale.

The exact details around the ranking method used have not been provided to Council.

The governance pool will provide the total amount that can be paid in remuneration to councillors at each individual council (aside from the Mayor).

The governance pool allocated does not have any relationship to the number of councillors. If a council wishes to change the number of councillors and the Local Government Commission agrees, the governance pool does not change. It will be shared amongst fewer or more councillors.

Each council can decide how it wishes to allocate its pool according to its own priorities and circumstances.

There are however four requirements for each council:

- The whole pool must be utilised.
- The council is required to decide a “base remuneration” for councillors who have no additional responsibilities. This cannot be below the base amount set by the authority.
- For roles that have additional responsibility above the base rate, the council is required to have a vote and must include a title, a short job description of the role and the proposed dollar value of remuneration attached to each role.
- Following the vote and formal resolution the council is required to forward the resolution to the authority for consideration and inclusion in the determinations.

The Remuneration Authority intends to review the ranking of each council on its size every three years and will provide a new governance pool at the start of each election year.

DISCUSSION AND OPTIONS SECTIONS

The following tables highlight the changes that the proposed governance pool will have on elected member remuneration.

Table A.

Current Elected Member Remuneration.	
Mayor	\$75,284 (Includes vehicle allowance of \$3,382.38)
Deputy Mayor	\$38,807
Chair – Audit and Risk	\$36,815
Chair – Coast Community Board	*\$27,026
Councillor	\$20,530
Coast Community Board Member x 4	\$4,891

Table B.

Proposed Elected Member Remuneration: effective 1 July 2019	
Mayor	\$82,856 (Includes vehicle allowance of \$3,382.38)
Deputy Mayor	\$42,567
Chair – Audit and Risk	\$40,382
Chair – Coast Community Board	*\$29,644
Councillor	\$22,519
Coast Community Board Member x 4	\$4,989
<i>(Proposed pool for Deputy Mayor and Councillors - \$180,150)</i>	

*Combined remuneration of Councillor and chair role.

Table C

Proposed Elected Member Remuneration Post 2019 Election.	
Mayor	\$98,000 (Includes vehicle allowance of \$3,382.38)
Deputy Mayor	\$50,084
Chair – Audit and Risk	\$47,514
Councillor	\$26,098
Chair – Coast Community Board	\$9,978
Coast Community Board Member x 4	\$4,989
<i>(Proposed pool for Deputy Mayor and Councillors - \$211,968)</i>	

IMPORTANT NOTE: Table C assumes structure of Council remains the same and the current ratio for additional responsibilities is endorsed by Council. Council decides how best to divide the Governance Pool between Deputy Mayor and Councillors.

SIGNIFICANCE ASSESSMENT

Assessment of significance

Under Council’s Significance and Engagement Policy, on every issue requiring a decision, Council considers the degree of significance and the corresponding level of engagement required. The level of Significance is considered to be low as determined by the criteria set out in section 12 of the Significance and Engagement Policy.

Assessment of engagement requirements

As the level of significance is considered to be low the level of engagement required is determined to be at the level of Inform according to Schedule 2 of the Significance and Engagement Policy.



CONSIDERATIONS

Financial/budget considerations

Any changes to the remuneration will be paid from existing Council operational budget within the representation activity.

Authority

The Remuneration Authority is the responsible authority for setting the remuneration of elected members. Council is merely receiving the report and noting the changes proposed to the method of remuneration setting.

RECOMMENDATIONS:

- 1. That the report titled "Proposed Changes to Elected Member Remuneration" be received.**
- 2. That elected members note the changes proposed by the Remuneration Authority.**

Michael Homan

FINANCE, SYSTEMS AND PROPERTY GROUP MANAGER