

QLDC Council  
24 February 2016

Report for Agenda Item: 5

Department: Finance & Regulatory

Remuneration for Councillors involved in Proposed District Plan hearings

Purpose

The purpose of this report is to confirm allocation of additional funds from the available pool to remunerate Councillors that have taken on additional responsibilities in their role as hearing commissioners for the Proposed District Plan.

Recommendation

That Council:

1. **Note** the contents of this report;
2. **Confirm** that the remaining \$18,960.00 of the pool of funds available for paying Councillors who take on roles of additional responsibility should be allocated to pay the Councillors that are appointed as hearing commissioners for the Proposed District Plan hearings.
3. **Confirm** that Councillors will be paid an amount of \$160.00 per day for each day that they are required to attend hearings to hear submissions on the Proposed District Plan.
4. **Note** that Councillors will not receive any additional pay for the time spent preparing for the Proposed District Plan hearings or for deliberation time after the hearings.
5. **Confirm** that at the end of the 2015/2016 financial year, the Mayor will request that the Remuneration Authority authorises the Council to carry over any money remaining from the pool of additional funds to the next financial year for the same purpose.

Prepared by:



Alice Balme  
Solicitor

5/02/2016

Reviewed and Authorised by:



Stewart Burns  
Chief Financial Officer  
Acting Chief Executive

5/02/2016

## **Background and Comment**

1. Council notified Stage 1 of its Proposed District Plan (PDP) on 26 August 2015. Hearings of the submissions and further submissions received by the Council on the PDP are scheduled to commence on 7 March 2016.
2. The Council, by way of resolution on 26 November 2015 and 17 December 2015, appointed a hearing panel to hear and make recommendations on all the submissions and further submissions on the PDP. It appointed all of its Councillors to sit as one of the three hearings commissioners on the panel.
3. It was considered important to have Councillors on the hearings panels as they generally have a much greater knowledge of the District and the communities living within it than the independent commissioners who have been appointed from outside of the District. There is significant benefit to be gained from this knowledge.
4. However, by agreeing to actively participate in the PDP hearing process, the Councillors have taken on significant extra duties and responsibilities and will be required to:
  - a. Read all relevant materials prior to the hearings including plan provisions, submissions, reports and any evidence that is lodged prior to the hearings;
  - b. Sit on the hearing panels that they are allocated to for the duration of the hearings;
  - c. Following the hearings, deliberate on matters they have heard with a view to making a final recommendation to the Council; and
  - d. Participate in report writing to present the hearing panel's final recommendation to the Council.
5. The PDP hearings have been separated into two blocks scheduled around the local government elections in October 2016. Councillors will be allocated to attend certain hearings and will be advised of these allocations in advance of the hearings.
6. The first block of hearings is scheduled to run from 8 March 2016 to 31 August 2016. During this period, the Chair of the PDP hearings panel has estimated that Councillors will be required for a total of approximately 125 hearing days.
7. The second block of hearings will commence after the local government elections in October and will likely run until June 2017. During this period, the Chair of the PDP hearings panel has estimated that the Councillors will be required for a total of approximately 105 hearing days.

### *Remuneration*

8. In accordance with the Local Government Act 2002 the remuneration of members of local authorities is determined by the Remuneration Authority.

9. The current determination sets the salary for the Mayor, the base salary for Councillors.
10. Councillors are also able to be paid an additional hourly rate for their time hearing resource consent and plan change applications. However, time spent by Councillors hearing submissions on a Proposed District Plan is specifically excluded from this additional payment.
11. The Council has a pool of \$47,400.00 available to provide additional pay for those Councillors who take on roles involving additional responsibility.
12. In the current determination \$28,440.00 of that total pool has already been allocated to the three positions involving additional responsibility at the Council including the Deputy Mayor and the two Portfolio Leaders.
13. There is \$18,960.00 remaining that could be allocated to Councillors involved in the District Plan hearings.
14. On 26 January 2016 the Mayor wrote to the Remuneration Authority, on behalf of the Council, requesting that this remaining \$18,960.00 be allocated to pay Councillors who are involved in the Proposed District Plan hearings. A copy of this letter is attached as Appendix A.
15. The rate that the Councillors will be paid is \$160 per day for each day that they are required to attend hearings and hear submissions on the proposed district plan. This amount has been calculated based on the funds available, the duration of the hearings and the number of days that Councillors are likely to be required to attend hearings.
16. Given the hearings will continue into the next financial year, it is possible for the Council to carry over any remaining funds from this financial year to the next financial year where those funds are for additional duties to support the District Plan process. The rate of \$160 per day has been calculated with this in mind and at the end of this financial year, the Council will need to apply to the Remuneration Authority to have the remaining funds carried over in order to continue paying Councillors at the same rate of \$160 per day in the next financial year.
17. The Remuneration Authority has indicated that it will approve the Mayor's request on behalf of the Council in principal. However, the approval is subject to a resolution of the Council confirming the allocation of the additional funds to the Proposed District Plan hearings.

### *Options*

- 18 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002:
- 19 **Option 1:** Do nothing

*Advantages:*

- 20 The funds available for paying councillors for roles of additional responsibility will remain available for other roles of additional responsibility not related to the district plan.

*Disadvantages:*

- 21 Councillors who have taken on the significant responsibility of hearing submissions on the proposed district plan will not be compensated for the time that they have committed to the process over and above their ordinary role as Councillors.
- 22 Councillors may not be able to commit to the District Plan hearing process due to the significant time commitment which will impact the timely delivery of decisions on the Proposed District Plan.
- 23 **Option 2:** Allocate the additional \$18,960.00 funds to pay Councillors involved in the Proposed District Plan hearings a rate of \$160.00 per day that they are hearing submissions.

*Advantages:*

- 24 Councillors will be compensated for the additional work involved as a hearing commissioner on the proposed District Plan hearings panel.
- 25 The money available for allocation for roles of additional responsibility will be utilised for a good cause as there are limited other opportunities available to use this money

*Disadvantages:*

- 26 All money available for Councillors who take on roles of additional responsibility will be allocated for the 2015/2016 and 2016/2017 financial years.
- 27 This report recommends **Option 2** for addressing the matter.

***Significance and Engagement***

- 28 This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because it relates to the distribution of funds that have already been allocated under the Local Government Elected Members (2015/16) (Certain Local Authorities) Determination 2015 and will not impact the environment, culture or people in the District. There is no existing policy on the allocation of these funds nor is this allocation references in the Council's planning documents.

**Financial Implications**

- 29 All money available for Councillors who take on roles of additional responsibility will be allocated for the 2015/2016 and 2016/2017 financial years.

## **Council Policies, Strategies and Bylaws**

30 There are no Council policies, strategies or bylaws relating to the allocation of funds available under the Local Government Elected Members (2015/16) (Certain Local Authorities) Determination 2015.

31 This matter is not included in the 10-Year Plan/Annual Plan.

## **Local Government Act 2002 Purpose Provisions**

32 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by ensuring that the Councillors local;
- Does not require funding under the 10-Year Plan and Annual Plan;
- Is not inconsistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

## **Legal Considerations and Statutory Responsibilities**

33 Remuneration of elected members is controlled by clause 6 and 7 of the seventh schedule to the Local Government Act 2002 and must be determined by the Remuneration Authority.

## **Attachments**

A Letter to Remuneration Authority – 26 January 2016

26 January 2016

Ms Angela Foulkes  
Deputy Chair  
Remunerations Authority  
Morrison Kent House  
105 The Terrace  
Wellington

Dear Ms Foulkes

## **RE: ELECTED MEMBERS REMUNERATION FOR DISTRICT PLAN HEARINGS**

### *Background*

1. Queenstown Lakes District Council notified Stage 1 of its Proposed District Plan (**PDP**) on 26 August 2015. Hearings of the submissions and further submissions received by the Council on the PDP are scheduled to commence on 7 March 2016.
2. The Council, by way of resolution on 26 November 2015 and 17 December 2015, appointed a hearing panel to hear the submissions on the PDP and appointed all of its Councillors to sit as one of the three hearings commissioners on the panel.
3. It was considered important to have Councillors on the hearings panels as they generally have a much greater knowledge of the District and the communities living within it than the independent commissioners who have been appointed from outside of the District. There is significant benefit to be gained from this knowledge.
4. However, by agreeing to actively participate in the PDP hearing process, the Councillors have taken on significant extra duties and responsibilities and will be required to:
  - a. Read all relevant materials prior to the hearings including plan provisions, submissions, reports and any evidence that is lodged prior to the hearings;
  - b. Sit on the hearing panels that they are allocated to for the duration of the hearings;
  - c. Following the hearings, deliberate on matters they have heard with a view to making a final recommendation to the Council; and
  - d. Participate in report writing to present the hearing panel's final recommendation to the Council.
5. The PDP hearings have been separated into two blocks scheduled around the local government elections in October 2016. Councillors will be allocated to attend certain hearings in advance of the hearings.
6. The first block of hearings is scheduled to run from 8 March 2016 to 31 August 2016. During this period, I have been advised by the Chair of the PDP hearings panel that Councillors will be required for a total of approximately 125 hearing days.
7. The second block of hearings will commence after the local government elections in October and will likely run until June 2017. During this period, I have been advised by



the Chair of the PDP hearings panel that the Councillors will be required for a total of approximately 105 hearing days.

*Pool of Funds for Additional Pay*

8. The Council has a pool of \$47,400.00 available to provide additional pay for those Councillors who take on roles involving additional responsibility.
9. \$28,440.00 of that total pool has already been allocated to the three positions involving additional responsibility at the Council including the Deputy Mayor and the two Portfolio Leaders. There is \$18,960.00 remaining that could be allocated to Councillors involved in the District Plan hearings.
10. The Local Authority Elected Member Remuneration Setting 2013 Updated Answers to Frequently Asked Questions (As at June 2013) also provides that funds may be carried over to the next financial year where those funds are for additional duties to support the District Plan process. However, prior approval of the Remuneration Authority is required.

*Proposal*

11. The Council wishes to allocate the remaining \$18,960.00 of the pool of additional funds to pay Councillors who are involved in PDP hearings. It intends to make a resolution to this effect at its meeting in February.
12. Each Councillor will be paid an amount of \$160 per day for each day that they are required to attend PDP hearings and hear submissions. This will be in addition to their current salary.
13. The purpose of this additional payment is to recognise the additional duties associated with the Councillor's role as a PDP hearing commissioner.
14. The Council is also seeking to carry over any funds remaining at the end of the 2015/2016 financial year to continue to fund the PDP hearings at the same rate in the next financial year.
15. I understand that, if approved, a new determination will take approximately 3-4 weeks to prepare.
16. If you require any further information, please do not hesitate to contact me.
17. I look forward to receiving your response.

Yours sincerely,



Vanessa Van Uden  
Mayor  
Queenstown Lakes District Council