



Rangitikei
UNSPOILT...

Rangitikei District Council

Governance Handbook for Elected Members

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1 Introduction

1.1 The objective of this governance manual is to provide information to elected members that assists them to preserve and enhance:

- the credibility and accountability of Council within the community.
- the effectiveness of the Council as an autonomous local authority with statutory responsibility for good local governance in Rangitikei District.
- the mutual trust, respect and forbearance of the elected members as a group and between the elected members and Council management.
- the strong and collegial relationship between elected members when working together in the course of their various functions and duties.

2 Governance Principles

2.1 A local authority must act in accordance with the following principles in relation to its governance:¹

- a local authority should ensure that the role of democratic governance of the community, and the expected conduct of elected members, is clear and understood by elected members and the community; and
- a local authority should ensure that the governance structures and processes are effective, open, and transparent; and
- a local authority should ensure that, so far as is practicable, authority for decision-making and processes in relation to regulatory responsibilities is separated from authority for decision-making and processes for non-regulatory responsibilities; and
- a local authority should be a good employer; and
- a local authority should ensure that the relationship between elected members and management of the local authority is effective and understood.

2.2 In addition, the Council will govern with a positive emphasis on:

- Strategic leadership rather than administrative detail
- Being proactive and future focussed
- Acting in the interests of the District as a whole
- Encouraging and acknowledging the diversity of viewpoints
- Achieving collective, rather than individual decisions.

2.3 Effective governance occurs when an organisation's structure and operating principles recognise, through effective delegation, the need to empower elected members and staff to make decisions at strategic and operational levels, as is appropriate to their role. To this end, delegations are decided by Council, and those decisions are contained in the Delegations Register (available on the Council's website).

¹ Section 39, Local Government Act 2002

- 2.4 Elected members' roles and responsibilities are contained in the Local Governance Statement.
- 2.5 The Chief Executive is appointed by the Council in accordance with Section 42 and Clause 33 and 34 of Schedule 7 of the Local Government Act 2002.

3 Relationships and Behaviours

- 3.1 The expectations of behaviour of elected members are set out in the Council's Code of Conduct.
- 3.2 Members must adhere to the Standing Orders adopted by Council. The current standing orders are NZS 9202:2003 Amendment 1, as amended by Council on 28 October 2010.
- 3.3 Successful cooperation and collaboration (teamwork) is a critical element in the success of any democratically elected organisation. In order to operate successfully as a team, councillors need to be committed to developing strong, functional relationships with one another in order to effectively carry out their collective duties.

Relationships with Staff

- 3.4 The effective performance of Council requires a high level of cooperation and mutual respect between elected members and staff. To ensure that a high level of cooperation and trust is maintained, elected members will:
 - Recognise that the Chief Executive is the employer (on the behalf of Council) of all Council employees and as such only the Chief Executive may hire, dismiss, instruct or censure an employee. Any concerns about employees must be raised only with the Chief Executive.
 - Be mindful to keep individual requests to a minimum, and recognise that the focus of the organisation must be on delivery of services to the community.
 - Make themselves aware of the obligations that Council and the Chief Executive have as employers and observe those requirements at all times.
 - Accept and observe appropriate guidelines relating to the Chief Executive's role in managing elected members engagement with employees.
 - Publicly support employees at all times.
 - Raise concerns about the Chief Executive only with the Mayor or Deputy Mayor.
 - Recognise that a partnership approach will ensure the best outcomes for all citizens of the Rangitikei.
- 3.5 Councillors should be aware that failure to observe the guidance set out above may compromise Council's obligations to act as a good employer, resulting in the Council being exposed to risk, such as civil litigation.

Relationships with the Community

- 3.6 Effective Council decision-making depends on productive relationships between elected members and the community at large.
- 3.7 Members should ensure that individual citizens are accorded respect in their dealings with the Council, have their concerns listened to, and deliberated on in accordance with the requirements of the Act.
- 3.8 Members should act in a manner that encourages and values community involvement in local democracy.

Relationships with the Media

- 3.9 The media play an important part in local democracy. The Council will ensure the media has access to accurate and timely information about the affairs of Council.
- 3.10 The Chief Executive is authorised to make statements relating to Council's statutory responsibility, and communications that facilitate day-to-day operation of the Council. This includes managing editorial (quality control) and attribution.
- 3.11 Protocols for elected members dealing with the media are contained in appendix 1.

4 Conflicts of Interest

- 4.1 The phrase "conflicts of interest" is used to describe three distinct and separate circumstances where there is or may be a conflict between personal interests or the conduct of a member and that members duties as an elected member.
- 4.2 The three classes of conflict of interest are:
 - a pecuniary interest. This involves financial gain/loss directly or indirectly for the member, their family or business interests. These matters are regulated, in part, by the Local Authorities (Members Interests) Act 1968.
 - a non-pecuniary interest. This involves non-financial interests or relationships that arise out of kinship, marriage, domestic relationships, wider family relationships, employment or membership of community organisations.
 - a demonstrated bias. This is where a commitment to a particular view has been indicated (in words or through actions) before a Council decision has been taken. Members have a duty to approach decision-making on any matter with an open mind.
- 4.3 In deciding whether a member has an interest, consideration needs to be given as to whether an ordinary person, knowing the facts, would think that the member might be influenced by their interest.
- 4.4 Protocols for declaring conflicts of interest are contained in appendix 2.

- 4.5 Where a conflict of interest is established, members must take no part in the discussion of the matter or the decision. Where there is any doubt, a member should withdraw from any involvement with the matter or decision.

5 Members Remuneration and Expenses

- 5.1 The Mayor will be paid a salary as determined by the Remuneration Authority.
- 5.2 Elected members (excluding the Mayor) will be paid the salary applicable to their position, based on the remuneration rate calculated from the indicative pool determined by the Remuneration Authority each year, and following the process required under legislation, where Council and Remuneration Authority approval is obtained.
- 5.3 Mileage is payable to elected members (including Community Board members) in accordance with the policy approved by the Remuneration Authority. This includes return travel from their normal place of residence to the venue of the meeting, workshop or gathering to which they are invited or expected to attend as a representative of the Council or Community Board, less any non-claimable distance set by the Remuneration Authority.
- 5.4 No travel time allowance is payable to any elected member.
- 5.5 Protocols for salary payments and expense claims are contained in appendix 3.
- 5.6 Effective communication tools are vital to the Mayor and Councillors. Where elected members do not have access to their own equipment and connection to services, as specified in appendix 4, an allowance will be paid. The Council will provide elected members with equipment and connection to services where members do not have suitable access to their own equipment.

6 Sensitive Expenditure and Gifts

- 6.1 Sensitive expenditure is expenditure by the Council that could be seen as giving some private benefit to an individual councillor or staff member that is additional to the business benefit to the Council of the expenditure. Travel (including air points), accommodation, and hospitality spending are examples of areas where problems often arise. It also includes expenditure by the Council that could be considered unusual for the Council's purposes, particularly where it is not strongly related to the Council's core functions.

Entertainment and Hospitality

- 6.2 Elected members should endeavour wherever possible to make arrangements for entertainment and hospitality (including meals) prior to the event (through liaison with the Executive Officer).
- 6.3 The Mayor may be reimbursed for entertainment and hospitality expenses (such as meals) incurred while acting as the Council representative.

- 6.4 Elected members other than the Mayor may be reimbursed for actual and reasonable meal expenses while acting as Council representatives.
- 6.5 Protocols relating to entertainment and hospitality are contained in appendix 5.
- 6.6 Members should not commit Council to entertainment or hospitality expenditure relating to hosting of events without prior approval of the Council.
- 6.7 Members need to take care when accepting hospitality from individuals or organisations that this does not give rise to a situation where the host may infer certain rights, positions or benefits as a result of providing that hospitality. Members need to ensure that their ability to make decisions with an open mind is preserved, and that they are not unduly influenced by gratuitous offers.

Out-of-District Travel and Accommodation

- 6.8 Travel and accommodation expenses may be incurred when an elected member is required to travel out of the District as a representative of the Council for official Council business (for example, the Local Government New Zealand Annual Conference).
- 6.9 Expenses incurred by an elected member's partner or spouse will not be reimbursed, with one exception:
 - the Mayor's partner or spouse travel and accommodation expenses may be reimbursed when accompanying the Mayor to the Local Government New Zealand Annual Conference.
- 6.10 Protocols relating to travel and accommodation expenses are contained in appendix 5.

Gifts

- 6.11 In the course of an elected member's official duties, they may receive gifts from individuals or organisations. Gifts usually take the form of some tangible object e.g. a bottle of wine, but might also be in the form of, for example, free use of a corporate box at a sporting event or privileged access to goods or services.
- 6.12 The Council maintains a gifts register, and all gifts received by elected members are required to be declared to the Chief Executive. Gifts that can be used by the Council for collective benefit should be surrendered to the Chief Executive.
- 6.13 Other gifts that are received will be distributed among members accordingly, with regard to the circumstances of members at the time. Generally, inexpensive (pens, calendars etc) and infrequent gifts will be able to be kept by the members concerned.
- 6.14 Where a gift may be deemed inappropriate, and the circumstances allow a member to do so, then the member should respectfully decline the gift.

6.15 Members must take care in accepting any gifts that these are not seen as enticements or inducements, or compromise an elected member's decision-making ability.

7 Credit Cards

7.1 Elected members, with the exception of the Mayor, will not be issued with Council credit cards.

7.2 Protocol relating to any Mayoral credit card is contained in appendix 6.

8 Legislation Bearing on the Role and Conduct of Elected Members

8.1 Legislation that has some bearing on the duties and conduct of elected members is listed in the Code of Conduct, and is made available to all members by the Chief Executive at the time of elected member's induction.

8.2 If further guidance is needed, members are requested to seek guidance from the Chief Executive, or engage their own legal advisor (at their own cost) if appropriate.

Appendix 1 - Protocol for elected members dealing with the media

- 1 From time to time individual members will be approached to comment to the media on a particular issue either on behalf of Council or as an elected member in their own right, and the following needs to be observed:
 - The Mayor is the first point of contact for the official view on any issue. Where the Mayor is absent, any matters will be referred to the Deputy Mayor or relevant Committee Chairperson. The Mayor may also refer any matter to the relevant Committee Chairperson or to the Chief Executive for their comment.
 - No other elected member may comment on behalf of Council, without having first obtained the approval of the Council.
 - The Chairperson of any Council established Committee may comment on any matter related to the functions and scope of that Committee, provided that the information given to the media is accurate and honest and deals with the issues;
 - The Chairperson must ensure they only reflect the view of that Committee and not their own personal perspective.
 - The Chairperson must also ensure that members are informed about matters in which the media are interested, and any information provided.
 - All dealings with the media will be professional, truthful, and issue based and not bring the Council or Council management or its staff into disrepute.

- 2 Elected members are free to express a personal view in the media at any time, provided that comments expressed in the media are self-funded² and:
 - do not state or imply that the views represent the Council, or are an official view.
 - do not contravene the Code of Conduct.
 - do not undermine Council processes and effective public administration. This includes, but is not limited to:
 - expressing a view that is contrary to a Council decision or Council policy, that serves to undermine the duty of the member to abide by Council decisions.
 - promoting a position that benefits the member in a personal capacity, and is likely to give rise to a significant conflict of interest.
 - pre-determining the member's position on an issue where the Council decision has yet to be taken, given that members need to approach all decisions at the Council table with an open mind.
 - releasing confidential or sensitive information to the media where the member has no authority to do so.

Note: An elected member is entitled to use the provisions of the Protected Disclosures Act 2000 to draw attention to serious-wrongdoing by Council.

² i.e. not using Council resources or funding. It does not preclude the member from being sponsored or funded from private sources.

Appendix 2 - Protocol for declaration of interests

- 1 Members are required to make a general declaration of interest annually, and declare any specific interests that arise pertaining to each meeting at the beginning of that meeting. These declarations are recorded in a register of interests maintained by Council. The matters to be covered by the member's statement are details of:
 - Interests in land, whether as owner or other vested interest, identified by street address or, if there is no street address, by legal description.
 - Investments in companies, partnerships or joint ventures. Members are not required to disclose details of shareholdings in publicly listed companies if those shares are held by the member through a managed fund in respect of which the member has no control over share trading decisions and/or the details of those shareholdings are not reasonably ascertainable by the member.³
 - Membership of any Governmental, non-Governmental organisation (i.e. Community Group), or shares or directorship or appointment to any organisation in which the member is a party.
 - Appointments (except appointments made by the Council) such as appointments to a Health Board, University Council, or Government agency.
 - All of the above in respect to the member's domestic partner.
- 2 Members who have an interest that is regulated by the Local Authorities (Members Interests) Act 1968 must work with the Chief Executive to seek an exemption where their situation exceeds the \$25,000 annual limit. The application for exemption must be made on a timely basis.
- 3 Any elected member adjudicated bankrupt after a local election must notify the Chief Executive, who will immediately make an appropriate entry in the member's register of interest.

³ The member must treat any interest in land or investment held by a trust of which the member is a trustee or beneficiary or a company of which the member is a director or shareholder in the same manner as if that interest was held directly by the member.

Appendix 3 - Protocol for salary and expense claims

Salary

- 1 Every elected member must complete a tax declaration form and provide this to the Finance Department. Elected members will receive their salary paid into their nominated account less any withholding tax. Salaries payments will be paid fortnightly and will not be made in advance.

Expenses

- 2 Elected members may make a claim for expenses incurred in the course of business as an elected member, as follows:
 - All claims for expenses must be for the actual and reasonable costs incurred. All claims must be made on the appropriate form together with a tax receipt, and submitted to the Finance Department. The Finance Department will maintain records of all expense claims.
 - Approval of elected member expense claims will be made by the Chief Executive or the Chief Executive's nominated representative.
 - Elected members should endeavour to submit all claims for expenses within 60 days of the expense occurring.

Mileage

- 3 A claim for mileage must be made on the appropriate form. A claim for mileage will only be accepted where an actual and reasonable expense has been incurred by the claimant. Where possible, elected members should endeavour to carpool to meetings.
- 4 The normal rate of mileage payable to elected members is the maximum allowable by the Remuneration Authority, which is 70c per km. However,
 - an elected member may only claim for a maximum of 5,000 km at this rate; mileage in excess of 5,000 km will be reimbursed at 35c per km;
 - The first 30 km of a journey must be excluded from any claim (i.e. a return journey of 70 km entitles an elected member to claims 40km).
- 5 Unless provided with a Council vehicle as part of the remuneration, the Mayor shall keep a vehicle log book for travel detailing the date and kilometres travelled on Council business. The Mayor will be reimbursed for travel on the same basis as for other elected members.

Appendix 4 - Protocol on equipment and connection to services

- 1 To operate effectively as representatives of the District, the Mayor and Councillors are expected to have the following equipment:
 - A telephone landline
 - A cellphone
 - A desktop or laptop personal computer with printer.
 - A broadband internet connection.
- 2 Where elected members provide their own equipment and connection to services, Council will provide an annual allowance of \$750 to the elected member, paid on a pro rata basis with the fortnightly remuneration payments.
- 3 If Council provides any equipment or connection to services:
 - the allowance will be reduced to reflect the lower extra costs for equipment and services that have been provided by the Council.
 - the equipment and/or connection to services can only be used for Council purposes.
 - misuse of equipment or connection to services may result in removal of equipment or connection of services.

Appendix 5 - Protocols relating to entertainment, hospitality, travel and accommodation

Entertainment and hospitality

- 1 Any entertainment and hospitality expenses incurred should be modest and being mindful of the responsibility Council has to ratepayers in the District. In addition, the following guidance applies:
 - Meals cannot be claimed for separately if it is already provided within the accommodation package booked.
 - Mini-bar expenses will not be covered by the Council, and cannot be claimed.
 - Any alcohol consumption should be moderate, and general guidance is that one or two glasses with an evening meal is acceptable.

Out-of-District travel and accommodation

- 2 Elected Members may be reimbursed for out-of-District travel and accommodation expenses subject to the following guidance being observed:
 - Wherever possible, travel and accommodation should be booked in advance. This is best achieved through liaison with the Executive Officer, and enables the most cost-efficient and appropriate purchasing arrangements to be progressed.
 - Where it is not possible to book in advance, a claim may be made by the elected member. Such claim should be made on the appropriate form and supported by tax receipts.
 - If an elected member chooses to stay at private accommodation (for example, with friends or family), a claim for accommodation expenses may not be made.
 - Costs of incidental travel (such as to and from the airport to the hotel or venue of the meeting) may be reimbursed.
 - Loyalty schemes, such as airpoints or rental car club card benefits may be collected provided that this has not influenced the decision to use the provider.

Appendix 6 – Protocol relating to Council credit cards issued to the Mayor

- 1 Where the Mayor is issued with a Council credit card, the following must be observed:
 - the credit limit will be set by the Chief Executive in consultation with the Strategic Finance Manager, and will not exceed \$5000;
 - any purchases are to be only for the purpose of being strictly necessary to enable the Mayor to undertake his or her duties;
 - all purchases must be accompanied by an original receipt;
 - Council credit card transactions will be reviewed and approved by the Chief Executive;
 - on-line purchases can only be made through reputable companies with good security practice;
 - no personal purchases are to be made at any time using the Council credit card, regardless of whether the purchase amount is intended to be reimbursed to the Council at a later date;
 - no cash advances are permitted;
 - unauthorised use or misuse will result in the Council credit card being cancelled immediately.