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**PALMERSTON NORTH CITY COUNCIL**

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**AGENDA**

**FINANCE & AUDIT COMMITTEE**

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**9AM, WEDNESDAY 16 SEPTEMBER 2020**

**ELWOOD ROOM, CONFERENCE & FUNCTION CENTRE**

**354 MAIN STREET, PALMERSTON NORTH**

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## MEMBERSHIP

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**Susan Baty (Chairperson)**  
**Karen Naylor (Deputy Chairperson)**  
**Grant Smith (The Mayor)**

**Stephen Armstrong**  
**Vaughan Dennison**  
**Renee Dingwall**  
**Lew Findlay QSM**  
**Patrick Handcock ONZM**

**Leonie Hapeta**  
**Lorna Johnson**  
**Bruno Petrenas**  
**Tangi Utikere**

**Agenda items, if not attached, can be viewed at:**

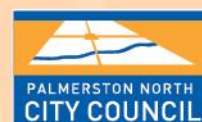
**pncc.govt.nz | Civic Administration Building, 32 The Square**  
**City Library | Ashhurst Community Library | Linton Library**

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**Heather Shotter**  
**Chief Executive, Palmerston North City Council**

**Palmerston North City Council**

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**Private Bag 11034, 32 The Square, Palmerston North**



## **FINANCE & AUDIT COMMITTEE MEETING**

16 September 2020

### **ORDER OF BUSINESS**

**1. Apologies**

**2. Notification of Additional Items**

Pursuant to Sections 46A(7) and 46A(7A) of the Local Government Official Information and Meetings Act 1987, to receive the Chairperson's explanation that specified item(s), which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded, will be discussed.

Any additions in accordance with Section 46A(7) must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

Any additions in accordance with Section 46A(7A) may be received or referred to a subsequent meeting for further discussion. No resolution, decision or recommendation can be made in respect of a minor item.

**3. Declarations of Interest (if any)**

Members are reminded of their duty to give a general notice of any interest of items to be considered on this agenda and the need to declare these interests.

**4. Public Comment**

To receive comments from members of the public on matters specified on this Agenda or, if time permits, on other Committee matters.

(NOTE: If the Committee wishes to consider or discuss any issue raised that is not specified on the Agenda, other than to receive the comment made or refer it to the Chief Executive, then a resolution will need to be made in accordance with clause 2 above.)

**5. Confirmation of Minutes**

Page 7

“That the minutes of the Finance & Audit Committee meeting of 19 August 2020 Part I Public be confirmed as a true and correct record.”

**6. Assurance Report on Review of Business Continuity Planning**

Page 13

Memorandum, presented by Masooma Akhter, Business Assurance Manager and Jason McDowell, Head of Risk & Resilience.

**7. Review of Elected Members' Expenses and Allowances Policy**

Page 25

Memorandum, presented by Hannah White, Democracy & Governance Manager.

**8. Committee Work Schedule**

Page 47

**9. Exclusion of Public**

To be moved:

“That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public as stated in the above table.

Also that the persons listed below be permitted to remain after the public has been excluded for the reasons stated.

*[Add Third Parties]*, because of their knowledge and ability to assist the meeting in speaking to their report/s [or other matters as specified] and answering questions, noting that such person/s will be present at the meeting only for the items that relate to their respective report/s [or matters as specified].



# PALMERSTON NORTH CITY COUNCIL

## Minutes of the Finance & Audit Committee Meeting Part I Public, held in the Elwood Room, Conference & Function Centre, 354 Main Street, Palmerston North on 19 August 2020, commencing at 9.01am

<b>Members Present:</b>	Councillor Susan Baty (in the Chair), The Mayor (Grant Smith), Mr Stephen Armstrong and Councillors Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Bruno Petrenas and Tangi Utikere.
<b>Non Members:</b>	Councillors Brent Barrett, Rachel Bowen, Zulfiqar Butt, Billy Meehan and Aleisha Rutherford.

### 26-20 Public Comment

Mr Brad Nieuwkoop made public comment regarding his vision to support and complement existing recreational activities in the Kahuterawa Valley, including Arapuke Forest Mountain Bike Park and Te Araroa Trail.

Plans included potentially providing high end accommodation (glamping) sites, a commercial space, a café and workshop.

Mr Nieuwkoop hoped his vision for the area would make it a recreational asset to the Manawatu and encourage both local visitors and visitors from outside the region.

Moved Susan Baty, seconded Karen Naylor.

### The COMMITTEE RESOLVED

1. That the public comment be received for information.

Clause **Error! Reference source not found.** above was carried 17 votes to 0, the voting being as follows:

#### For:

The Mayor (Grant Smith) and Councillors Susan Baty, Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford, Tangi Utikere and Mr Stephen Armstrong.

### 27-20 Confirmation of Minutes

Moved Susan Baty, seconded Karen Naylor.

### The COMMITTEE RESOLVED

1. That the minutes of the Finance & Audit Committee meeting of 17 June 2020 Part I Public be confirmed as a true and correct record.

Clause **Error! Reference source not found.** above was carried 16 votes to 0, with 1 abstention,

the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Susan Baty, Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Mr Stephen Armstrong.

**Abstained:**

Councillor Tangi Utikere.

**28-20**

**Human Resources and Health, Safety and Wellbeing Report**

Memorandum, presented by Alan Downes, Health Safety & Wellbeing Manager.

Moved Susan Baty, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the memorandum entitled 'Human Resources and Health, Safety and Wellbeing Report' presented to the Finance & Audit Committee on 19 August 2020, be received.

Clause **Error! Reference source not found.** above was carried 14 votes to 2, with 1 abstention, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Billy Meehan, Karen Naylor, Bruno Petrenas, Tangi Utikere and Mr Stephen Armstrong.

**Against:**

Councillors Brent Barrett and Lorna Johnson.

**Abstained:**

Councillor Aleisha Rutherford.

**29-20**

**S17A Review of Economic Development**

Memorandum, presented by Sheryl Bryant, General Manager - Strategy & Planning.

Moved Tangi Utikere, seconded Vaughan Dennison.

The **COMMITTEE RECOMMENDS**

1. That Council undertake a Section 17A review under the Local Government Act 2002 of Economic Development and that an unbudgeted expense of \$15,000 be approved for the review.

Clause **Error! Reference source not found.** above was carried 17 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Susan Baty, Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford, Tangi



Utikere and Mr Stephen Armstrong.

**30-20 Reserve land acquisition - unbudgeted proposals - Whakarongo Lagoon and Greens Road**

Report, presented by Kathy Dever-Tod, Manager - Parks and Reserves.

Moved Karen Naylor, seconded Lorna Johnson.

The **COMMITTEE RECOMMENDS**

1. That the report entitled 'Reserve land acquisition – unbudgeted proposals – Whakarongo Lagoon and Greens Road' presented to the Finance & Audit Committee on 19 August 2020, be received.
2. That Council approve acquisition of approximately 3,300m<sup>2</sup> of part of Lot 1 DP 467810, east of the Whakarongo Lagoon, from the Etheridge family, noting that new operational funding of \$10,000 per year for three years, and \$8,000 per annum thereafter, will be required to maintain this land.
3. That subject to acquisition of the Whakarongo land being approved, Council approve utilisation of Programme 144 Urban Growth – Whakarongo – Reserve Land Purchase in the 2020/21 financial year to fund costs associated with the land acquisition, which are estimated to be \$10,000.
4. That Council approve acquisition of approximately 1.19ha, being part of Lot 1 DP 541201, adjacent to Greens Road, noting that new operational funding of \$1,600 per annum will be required to maintain the land.
5. That subject to acquisition of the Greens Road land being approved, Council approve expenditure of up to \$27,000 in the 2020/21 financial year to purchase the property.
6. That Council note that operational costs associated with land acquisitions approved by Council, as part of report entitled 'Reserve land acquisition – unbudgeted proposals – Whakarongo Lagoon and Greens Road', will be added to existing operating budgets as part of the development of the draft 2021/31 Ten Year Plan.

Clause **Error! Reference source not found.** above was carried 17 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Susan Baty, Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford, Tangi Utikere and Mr Stephen Armstrong.

The meeting adjourned at 10.28am

The meeting resumed at 10.47am

**31-20 Whakarongo Housing - Cashflow Analysis**

Memorandum, presented by Stuart McKinnon, Chief Financial Officer.

Moved Susan Baty, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the memorandum entitled 'Whakarongo Housing – Cashflow Analysis' presented to the Finance & Audit Committee on 19 August 2020, be received for information.

Clause **Error! Reference source not found.** above was carried 17 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Susan Baty, Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford, Tangi Utikere and Mr Stephen Armstrong.

**32-20 Quarterly Performance and Financial Report - Quarter Ending 30 June 2020**

Memorandum, presented by Stuart McKinnon, Chief Financial Officer and Andrew Boyle, Head of Community Planning.

Moved Susan Baty, seconded Karen Naylor.

The **COMMITTEE RECOMMENDS**

1. That the memorandum entitled 'Quarterly Performance and Financial Report – Quarter Ending 30 June 2020' presented to the Finance & Audit Committee on 19 August 2020 be received, and that Council note the following:
  - a. The June 2020 financial performance and operating performance.
  - b. The June 2020 capital expenditure programme progress together with those programmes identified as unable to be completed this financial year.
2. That Council note that the capital expenditure carry forward values in the 2020/21 Annual Budget will be increased by a net \$3,822,000 and capital revenue will increase by \$384,000.

Clause **Error! Reference source not found.** above was carried 17 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Susan Baty, Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford, Tangi Utikere and Mr Stephen Armstrong.

**33-20 Update of Treasury Policy (including Liability Management & Investment Policies)**

Memorandum, presented by Steve Paterson, Strategy Manager - Finance.

Moved Karen Naylor, seconded Lorna Johnson.

The **COMMITTEE RECOMMENDS**

1. That the memorandum entitled 'Update of Treasury Policy (including Liability Management & Investment Policies)' presented to the Finance & Audit Committee on 19 August 2020, be received.
2. That the updated Treasury Policy (incorporating the Liability Management and Investment Policy pursuant to section 102 of the Local Government Act 2002) as attached to this report be adopted.
3. That it be noted Council will be reviewing the specific borrowing limits contained in clause 3.6.1 of the Policy as part of the process of developing its Financial Strategy for the 2021-31 10 Year Plan, and that if the outcome of this is that there are changes to these limits, the Policy will be updated to include them.

Clause **Error! Reference source not found.** above was carried 17 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Susan Baty, Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford, Tangi Utikere and Mr Stephen Armstrong.

**34-20 Treasury Report - 12 months ending 30 June 2020**

Memorandum, presented by Steve Paterson, Strategy Manager - Finance.

Moved Susan Baty, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the memorandum entitled 'Treasury Report – 12 months ending 30 June 2020' presented to the Finance & Audit Committee on 19 August 2020, be received.
2. That the performance of Council's treasury activity for the 12 months ended 30 June 2020 be noted.

Clause **Error! Reference source not found.** above was carried 17 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Susan Baty, Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford, Tangi Utikere and Mr Stephen Armstrong.

**35-20      Te Huringa (ERP Ozone Replacement) Project - Business Assurance Progress Report**

Memorandum, presented by Masooma Akhter, Business Assurance Manager and Colin Anderson, Project Independent Advisor.

Moved Susan Baty, seconded Karen Naylor.

**The COMMITTEE RESOLVED**

1. That the memorandum entitled 'Te Huringa (ERP Ozone Replacement) Project – Business Assurance Progress Report' and its two appendices, presented to the Finance & Audit Committee on 19 August 2020, be received for information.

Clause **Error! Reference source not found.** above was carried 17 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Susan Baty, Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford, Tangi Utikere and Mr Stephen Armstrong.

**36-20      Committee Work Schedule**

Moved Susan Baty, seconded Patrick Handcock ONZM.

**The COMMITTEE RESOLVED**

1. That the Finance & Audit Committee receive its Work Schedule dated August 2020.

Clause **Error! Reference source not found.** above was carried 17 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Susan Baty, Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford, Tangi Utikere and Mr Stephen Armstrong.

The meeting finished at 12.30pm

Confirmed 16 September 2020

**Chairperson**

## MEMORANDUM

**TO:** Finance & Audit Committee

**MEETING DATE:** 16 September 2020

**TITLE:** Assurance Report on Review of Business Continuity Planning

**PRESENTED BY:** Masooma Akhter, Business Assurance Manager and Jason McDowell, Head of Risk & Resilience

**APPROVED BY:** Sheryl Bryant, General Manager - Strategy & Planning

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### RECOMMENDATION TO FINANCE & AUDIT COMMITTEE

1. That the memorandum entitled 'Assurance Report on Review of Business Continuity Planning' and its appendices, presented to the Finance & Audit Committee on 16 September 2020, be received for information.

#### 1. ISSUE

The Business Assurance plan for 2019/20 endorsed by Council on 19 August 2019 required a business continuity planning review.

This review was completed in February 2020 however the report was not finalised until July 2020 due to the impact of COVID-19. This memorandum informs the Committee of the recommendations this review produced.

#### 2. BACKGROUND

Resilient Organisations was engaged to undertake this specialist review. Their assessment covered the current state of the business continuity plans and the processes and arrangements we have in place to support them.

The responsibility for business continuity planning currently forms part of the Risk and Resilience division headed by Jason McDowell.

The key observations from this review indicated that our plans could be enhanced and made more useful, relevant and structured. Resilient Organisations recommended that exercises are run across the Council regularly as the use of scenario-based business continuity exercises engages staff, improves understanding, identifies weaknesses, and enhances adaptability.

There was an acknowledgement and appreciation that staff worked collaboratively, listened well and constructively challenged each other.


### 3. NEXT STEPS

- a) An action plan will be developed by the Risk and Resilience division to address the recommendations with the endorsement of the Business Assurance division. The Risk and Resilience division will then be responsible to deliver on that action plan.
- b) The recommendations and agreed action plan will be followed up on by the Business Assurance division in due course and reported on.

### 4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	No
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 5: A Driven and Enabling Council	
The recommendations contribute to the outcomes of the Driven and Enabling Council Strategy	
The recommendations contribute to the achievement of action/actions in Not Applicable	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Business Assurance was established to provide Council with the assurance that key controls relied upon to mitigate risk are working effectively. This report informs Council of Business Assurance activity.

### ATTACHMENTS

1. Assurance Report on Review of Business Continuity Planning [↓](#) 

# BUILDING FUTURE FIT ORGANISATIONS

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## STAGE ONE REPORT

### Review of business continuity plans

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prepared for  
Palmerston North City Council

February 2020  
(Amended for Council August 2020)

**Resilient**   
ORGANISATIONS  
[www.resorgs.org.nz](http://www.resorgs.org.nz)

## Contents

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1.	Context and purpose	1
2.	Our approach to BC and organisation resilience	1
3.	Desktop review	2
4.	Workshops	2
5.	Lessons and observations from Stage 1	3
	Use of the BCPs	3
	Teamwork, attitude and knowledge	3
	Decision making structures	4
	Communications and Partnerships	5
	Specific BC and BCP enhancements	5
	The importance of exercises	7
6.	Summary and Next Steps	7



## 1. Context and purpose

Palmerston North City Council (PNCC) recognises the importance of appropriate business continuity (BC) arrangements to enable it to maintain key services in a crisis. The Council has already invested in developing Business Continuity Plans (BCPs) and several training exercises. Resilient Organisations Ltd is now assisting the Council in the ongoing development of business continuity and building its resilience to crises.

Resilient Organisations has completed a desktop review of the existing BCPs and facilitated scenario workshops with the Infrastructure and Customer groups.

This report provides our initial feedback on PNCC's level of business continuity maturity and recommended improvement priorities for the Council. Please note this report was based on exercises run prior to COVID-19. The Council has made significant enhancements and further lessons have been learned through the pandemic response. These are being captured in a separate report.

## 2. Our approach to BC and organisation resilience

Every organisation will face a crisis at some point. No two crises are the same and the countless range of potential crises and specific circumstances of each event mean that even with the very best risk management processes in place, no organisation will be ready for every eventuality. For this reason, effective BC and crisis management requires both *preparedness* and *adaptability*, as shown diagrammatically below.



The knowledge and understanding gained through the *development* of BCPs and *active practice* using crisis scenarios are the best tools for building resilience, rather than the BCP documents per se. For business

continuity to be effective, staff need to be actively involved, understand the thinking underpinning their BCPs and be ready to implement or adapt them to suit the circumstances of an event. Having a BCP on the shelf or a computer, is not sufficient.

BC planning includes understanding the organisation, knowing how it may be affected by a range of crises, identifying appropriate responses, and ensuring the necessary resources and partnerships are available *before* an event. To enhance both the preparedness and adaptability components, staff need to know their BCPs and be actively engaged in their development and practice exercises. Having an unfamiliar BCP is of very limited value.

### 3. Desktop review

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The desktop review provided a preliminary analysis of the Council's existing BCPs and Crisis Management Plan (CMP). The proposed changes to the BCPs are refinements and development of existing documents rather than a major re-write. The recommendations from this review are combined with lessons learnt from the workshops.

### 4. Workshops

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The workshops assessed how the BCPs were likely to be applied in practice. Separate workshops were held with the Infrastructure and Customer groups. Two scenarios were presented in each of the workshops and the group senior management teams were asked to respond to the scenarios and subsequent injects.

The scenarios and pace of the exercises were designed to challenge participants and place them in unfamiliar situations. Staff had to make decisions with limited information, as may be expected during a real crisis event. In assessing BC capability, we were reviewing *how* decisions were made, rather than judging whether it was the right choice or the best possible decision.

The scenarios used were an ashfall event from a Ruapehu eruption, an escalating pandemic event and a bomb explosion that denied the Council of facilities.

## 5. Lessons and observations from Stage 1

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Our observations and recommendations from the desktop review and workshop are outlined below. They cover both the BCPs and observed crisis responses.

### Use of the BCPs

**During the workshops participants relied heavily on their existing operational knowledge to develop their responses. The BCPs were referenced but were not found particularly useful for the scenarios given.** At best, they were a checklist against which response plans were compared. In the Customer workshop only a few participants appeared to be familiar with their BCPs. During the debrief, staff recognised that the BCPs could be enhanced and made more useful and relevant.

**A key lesson from the workshops is the need for greater preparation at all levels, individually, within the team, and the wider organisation.** In relation to reviewing BCPs, the staff required to implement them need to be actively involved in their preparation and testing: the BCPs need to be relevant to them and their response. Having completed these scenario workshops, participants appeared to show greater interest and motivation to be better prepared. Exercises using realistic crisis scenarios made it real and important, rather than BC planning being a tick the box chore, undertaken reluctantly.

The BCPs will be reviewed as part of future stages of this project. There are, however, some critical points to note:

- BCPs are reference documents. The mindset for enhancing them needs to be “What do I, or someone else doing my job, need to know in a crisis that can be usefully documented here?”
- The structure of BCPs needs to allow quick access to the specific information needed in a crisis.
- Information changes over time. As reference documents, they need to be kept up to date.
- Practice exercises test their relevance and keep them real.
- It is appropriate for BCPs to highlight the priority of staff and public safety, but they are not emergency response documents. Instructions for immediate life-threatening situations, such as a fire, earthquake or terrorist event, should be included in separate Emergency Plans and supplemented by training to enable immediate response. BCPs are most useful for informing subsequent stages of response and recovery, or for slower events or instances where action is required but there is low immediate risk of harm to staff or the public.

### Teamwork, attitude and knowledge

**In both workshops, the teams worked collaboratively. There was a good flow of ideas and team members appeared to be willing to listen, challenge each other, and contribute alternative ideas in a respectful manner.**

The importance of good teamwork cannot be overstated and was a strength in both workshops. During a crisis, especially a lengthy one, weaknesses and tensions within the team and individuals will become magnified. Being conscious of these and remaining respectful and constructive is critical. This means not just listening well, but also having the courage to speak up or change course when something important

has been missed or a poor decision is being made. Both teams exhibited these desirable behaviours and attitudes.

Individual managers across both groups demonstrated and freely contributed their knowledge. This allowed the whole group to understand the operating context and identified some critical issues that during a real event may have required their resources to be utilised differently.

The workshop themselves can contribute to team building. A comment was made in the Customer group workshop that, as a relatively new team, it was an opportunity to learn more about what the rest of the team did, including critical risks. Crisis response is a team game and scenario-based workshops can of themselves contribute to team building at all levels of the organisation.

## Decision making structures

**Further discussion, testing and guidance on decision making structures and leadership styles is recommended, including a review of whether existing planned structures are used.**

The decision-making structure and leadership style need to fit the situation. The choice of scenarios and the removal of the General Managers for part of the exercises was deliberately intended to test the adaptability and flexibility of decision-making processes.

The pandemic and ashfall scenarios allowed time for greater discussion, which is appropriate when faced with slower building and evolving situations. In contrast, the first minutes of the bomb scenario was intended to be an emergency situation requiring rapid decisions, complicated by the removal of senior leaders.

Some staff appeared to find the group discussion at the beginning of exercises frustrating. Sharing information is, however, an important component of appraising the situation and building a common understanding upon which the whole team can act in a coordinated manner. This is particularly true during the earlier stages of a crisis where there is often the greatest degree of uncertainty and it is difficult, even for the best of leaders, to comprehend the situation, assess options and instigate appropriate responses.

The use of intelligence and expertise from external sources were not well used or were brought to the table relatively late. There was a tendency to rely on existing knowledge, which is common when operating under compressed timeframes such as the situations given in the workshop. In a real event, we would hope there may be greater use of external advice and conversations with response partners to fill the information gaps. When time allows, stepping back to gather information, identify gaps, and create a fuller understanding of how the event may unfold and subsequent consequences, is an important step in planning.

We recommend reviewing and testing crisis management response structures and leadership styles. The aim is to enhance adaptive capacity so that the decision-making processes can be adjusted to match the nature of the crisis event. Matters to consider when doing this include: the urgency of the response, including the immediate risk of further harm; the extent to which external expertise, resources or partnerships are required to respond effectively; the co-ordination of Council and EOC functions, and; the de-escalation of response and the transition to recovery and a new operating normal.

There needs to be a common understanding of the CMT and EOC roles. The use of CIMS was also suggested by some participants and could be considered. However, even within the BCPs, the use of templates such as the Status / Action Report, may assist in structuring decision making. The use of these templates, including possible amendments to include response and recovery objectives, will form part of the future workshops with BCP champions.

## Communications and Partnerships

**The desktop review identified that the existing BCPs lacked emphasis on communication and relationships.**

Good communication within the team, across the organisation, and with the wider community are critical components of a response to any event.

Expected communication timeframes and methods have changed dramatically over recent years, particularly with the use of social media and smartphones. Communication needs to be early and proactive to avoid an information vacuum (which can be rapidly filled by others using social media).

Specialist advice should be sought in an event. At a minimum, communications should cover: what has happened, what you know or don't know, how you are responding, and what you want the audience (staff, public, etc) to do.

Relationships with key partners should be established *before* an event. The resources, expertise or authority needed to respond effectively may lie outside of the Council. Having existing relationships with external partners before the event has been shown to be very beneficial in aiding response. This may overlap with Emergency Management responsibilities, but not always.

## Specific BC and BCP enhancements

### CALL CENTRE RISK

Risks around the operation of the Contact Centre were apparent during both scenarios in the Customer workshop. In the bomb scenario the risk was around being denied premises as all Council facilities were evacuated, including the Arena. In the pandemic scenario, staff illness led to reduced levels of service.

Having identified the importance of continued call centre operations, we recommend a specific focus to review plans against a range of scenarios, including consideration of surge capacity. It is readily foreseeable that reduced Contact Centre levels of service may coincide with significantly increased levels of demand, both locally and from contracted customers outside of the City. Enhanced surge capacity could be achieved through training staff from other parts of the Council, which has the dual benefit to business as usual of wider internal understanding of Council operations.

### LOOKING AFTER STAFF

The safety and well-being of staff is a priority in the BCPs and came out as a key issue in the workshops. All staff, especially leaders, need to know how to respond immediately in an emergency event to reduce physical harm to people. The systems to support timely responses, both immediately and over longer events, were lacking and required improvement.

Examples for improvement include:

- Having staff contact lists with both work and home contact details available outside the office and preferably in more than one format. The existing BCPs have templates for these contacts within them but only a few have been filled out. Completing these and having a hard copy at home is recommended, as well as having contacts saved on phones. While home contact details are



available through HR if required, there are scenarios where this may not be accessible or would be cumbersome to obtain or disseminate across the Council during a crisis.

- Having agreed telephone trees or using apps such as WhatsApp to which staff can respond with an "I'm ok" message.
- Include training for managers and team leaders in exercises to guide their immediate responses to emergency events. For example, if the building is evacuated under what circumstances should staff be sent home, or assemble at a different location, or remain in the evacuation area? In these circumstances, as demonstrated with the bomb scenario, there may be a good deal of confusion and evacuated staff assembling outdoors without adequate clothing, phones or keys to get home.

### STAFFING AND DELEGATION

In a crisis it is likely that at least some key staff will be unavailable. They may be on leave, working elsewhere, physically harmed or needing to care for their families. If the Civil Defence EOC is activated, numerous staff from across the organisation will be needed to operate it, depleting the numbers of staff available for BC response. We recommend having a plan, ahead of time, as to what roles staff will be expected to take to cover these gaps and provide them with appropriate training.

### CONFIRMING ROLES AND CONTACTS WITH EXTERNAL PARTNERS

Where BCPs rely on external partners, are these partners aware (at all the levels needed) that they will be expected to provide this support? For example, if Massey is expected to maintain the aviary during an emergency, is that in their BC plan or are they expecting the Council will maintain it? Similar issues could arise across the Council where other partners are expected to take on additional tasks.

Knowing the contact details of external partners that may be called upon to assist in an emergency is also recommended. This may include key suppliers, customers and other agencies. Trying to find these numbers (and the right person within external organisations) during an event can be time consuming.

### SERVICE RESTORATION TIMES

A comment was made during the workshop that the proposed restoration times were not always discussed with the Units responsible. In most instances the times appear reasonable but a check with the appropriate managers or teams is recommended.

When reviewing the expected restoration times, it should be done in the context of a crisis event, rather than BAU. For example, in a crisis context, the proposed restoration time for GIS services of 1-5 days appears too long. Crisis management requires complex data to be assembled and presented to decision makers in a manner that they can easily digest and act upon. In our experience, having access to GIS analysis is a critical tool for response.

### SUPPORTING SYSTEMS AND PROCESSES

The BCPs refer to various work arounds or supporting systems and processes. It is not clear from our review that these are all in place, maintained or widely known among those expected to use them. Examples included phone trees for contacting staff, requirements for working remotely, and awareness of grab-bags with critical equipment.

Other possible examples from our desktop review included:

- In instances where the manual workarounds rely on paper-based systems, it is important that these are kept up to date. For example, in the event of an IT outage, referring to hard copy cemetery maps to locate plots for internments may not be useful if the hard copy maps are grossly out of date. Is there a process in place for updating the maps at appropriate intervals?

- Do staff have access to appropriate personal protection equipment to carry out expected services in a crisis. For example, it was suggested that some members of the public rely on library access to the internet for online services. While these could be closed for a short event, do library staff have PPE to provide this service during an event such as a pandemic?
- Logging decisions and actions, especially when there are significant risks associated with them, can be critical in both protecting staff from future accusations of negligence and informing learning. There are templates in the BCPs for this. Similarly, there are other templates, such as status and action reports that could be used.
- Logging expenditure was identified as important in the Infrastructure workshop and is more widely applicable. Insurance and Government financial assistance are important parts of recovery and tracking expenditure and the reasons for it is essential information. It is not clear that there are systems for this.
- For some events, volunteers may be part of your BCP. Are there systems in place for managing this? Could EOC processes be used (without a Declaration being made)?

## The importance of exercises

Practicing BC through exercises is instrumental in training staff on how to respond and highlights the information needed within BCPs or elsewhere to enable responses. Having a BCP is a good starting point but is not sufficient to enable robust BC responses. The use of scenario-based BC or emergency exercises engages staff, improves understanding, identifies weakness and enhances adaptability.

We strongly recommend exercises are run across the Council at least annually using a range of scenarios. Several participants suggested running the scenarios with their teams. The value of having support staff from other parts of Council such as HR, finance, and comms was mentioned as well. We recommend this same approach be undertaken with the Executive Leadership and the Crisis Management Teams.

Undertaking these exercises allows everyone to think about and practice what may be required of them in a crisis event. It also enhances adaptability and their ability to take on new roles, if needed, due to the absence of colleague or manager.

## 6. Summary and Next Steps

This report, initially prepared prior to COVID-19, highlighted that PNCC had a relatively low level of business continuity maturity. Our recommendations were to build awareness and champions within PNCC, so staff can lead the ongoing work necessary to enhance the Council's crisis preparedness.

Since COVID-19 emerged, the Council has undertaken actions to enhance crisis preparedness. There is, however, still some way to go, particularly in preparing for rapid onset events such as an earthquake. Further work is being undertaken to develop a programme for Council to further enhance resilience, including updating and practicing business continuity plans.





## MEMORANDUM

**TO:** Finance & Audit Committee

**MEETING DATE:** 16 September 2020

**TITLE:** Review of Elected Members' Expenses and Allowances Policy

**PRESENTED BY:** Hannah White, Democracy & Governance Manager

**APPROVED BY:** Sheryl Bryant, General Manager - Strategy & Planning

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### RECOMMENDATION TO FINANCE AND AUDIT COMMITTEE

1. That the memorandum entitled 'Review of Elected Members' Expenses and Allowances Policy' presented to the Finance & Audit Committee on 16 September 2020, be received.

### RECOMMENDATIONS TO COUNCIL

2. That Council approve the Elected Members' and Appointed Members' Expenses and Allowances Policy and the Elected Members' Remuneration Determination 2020/21 (Appendix 1) as amended, subject to approval of the Remuneration Authority.
3. That Council amend the Elected Members' Training and Development Policy (Appendix 2), so that any reference to "elected member" or "councillor" be changed to either "elected and appointed member" or "member."

---

### 1. ISSUE

- 1.1 In February 2020, the Finance & Audit Committee resolved:

"That a review of the Expenses Policy be undertaken to consider whether the Policy be extended to cover all appointed members, and to make recommendations for any other changes required to update the policy including to the definition of, and travel expenses associated with, Official Business, with a report to Finance & Audit Committee (in September 2020)."

- 1.2 Officers have reviewed the Elected Members' Expenses and Allowances Policy (Expenses Policy) and recommend a number of changes including allowing appointed members to access training and development opportunities. The reviewed policy is attached as Attachment 1.

## 2. BACKGROUND

- 2.1 Council has appointed five appointed members and accorded them full voting and participation rights to sit on five Council committees in the 2019-2022 triennium. Appointed members are reimbursed for their meeting attendance but are not currently able to seek council reimbursement for training or development opportunities related to their committee roles.
- 2.2 In February 2020, the Finance & Audit Committee resolved to pay the expenses for an appointed member to attend a Local Government New Zealand conference. This raised the question over whether appointed members should be included in the Elected Members' Expenses and Allowance Policy and officers were asked to review the policy.
- 2.3 Appointed members have full voting and participation rights on their relevant committee(s) and are expected to use their knowledge and skills to actively contribute to debate and ultimately to help strengthen council policies. By including appointed members in the Council's Expenses Policy, Council is offering these individuals the opportunity to build their knowledge and skills base so that they might carry out their role more effectively.
- 2.4 The Expenses Policy sits alongside the Elected Members' Professional Development and Training Policy (Attachment 2). This policy is due for review next year, but as an interim measure, officers propose amending any references in the policy to "elected member" or "councillor" to "elected and appointed member" or "member". These changes will enable appointed members to be included in the policy until a full review is completed.

## 3. LEGAL IMPLICATIONS

- 3.1 Under Schedule 7 (6) of the Local Government Act 2002, "The Remuneration Authority must determine the remuneration, allowances, and expenses payable to elected members." The Authority fixes the scale of allowances and provides guidance for what can be remunerated.
- 3.2 The Council's Expenses Policy is overseen by the Remuneration Authority which regulates what elected members can claim as an expense or allowance and the amount for each.
- 3.3 Except for the bicycle care allowance, all figures in the draft policy (Attachment 1) are within the limits set by the Remuneration Authority.
- 3.4 The Remuneration Authority's determination does not establish limits on an allowance for bicycle care or public transport. If the Committee recommended to include these allowances, the approval of the Remuneration Authority would have to be sought.

- 3.5 The Remuneration Authority's remit does not extend to appointed members. This does not prohibit the Council from including appointed members in the Expenses Policy, however appointed members' expenses will not be scrutinised by the Remuneration Authority.

#### **4. REVIEW OF THE EXPENSES AND ALLOWANCES POLICY**

- 4.1 The Elected Members' Expenses Policy was last reviewed in November 2019 when adjustments were made to the vehicle mileage rates and Council agreed that journeys between elected members' place of residence and the Council Administration Building would not be included in the policy. Council also agreed not to include a childcare allowance or travel time allowance. As a recent decision, these items were not included in this review.

- 4.2 This review has focused on the elements mentioned in the resolution from February 2020, and recommends additional changes that were not considered as a part of the previous review. Recommended changes include:

##### **Adding appointed members in the Conference and Training Expenses**

- 4.3 This will allow appointed members to attend training courses and be reimbursed for reasonable travel and attendance expenses incurred in line with the policy.
- 4.4 It is not envisaged to give appointed members a communication allowance as they attend a maximum of six meetings annually and there are no expectations for appointed members to participate in council business outside of meeting attendance. The Council provides them with a council email address, electronic access to the Agenda, and a hard copy of the Agenda where required.

##### **Reviewing the definition of, and travel expenses associated with, Official Business**

- 4.5 In the definitions section of the Expenses Policy council business is defined as: "formal council meetings, committee meetings, workshops, seminars, statutory hearings, training courses, site visits, meetings with staff, meetings with community groups, meetings with members of the public. It does not include events where the primary focus is on social activity."
- 4.6 The definition is a broad one. Officers see no reason to change it. Elected members continue to exercise their judgement to determine the primary purpose of an event and whether or not it meets the definition of council business.
- 4.7 For clarity it is recommended that the description of council business is outlined prior to the section noting modes of transport members can use to get to and from council business.

## ITEM 7

- 4.8 To encourage elected members to use public and active transport within the city, Council could reimburse bus fares and could include a bicycle care allowance of up to \$100 per year to go towards the cost of maintaining a bicycle for use while on council business.
- 4.9 Council cannot offer an allowance for travelling by bicycle, as without receipts it would be difficult to audit, however provision of an allowance towards bicycle maintenance could indirectly encourage members to travel by active transport modes. Including an allowance of this kind signals Council's intention to encourage the use of active transport for trips around the city in line with the Active and Public Transport Plan.

### **Inclusion of the Hearing Allowances and the Remuneration Determination**

- 4.10 The list of allowances for elected members who participate in Resource Management Act ("hearings fees") and alcohol licensing hearings has been included.
- 4.11 Listing all allowances available to elected members in their various duties provides transparency and a "one-stop-shop". The Remuneration Authority expects local authorities to include hearings fees in their Expenses Policy.

### **Re-formatting**

- 4.12 Formatting of the Policy has been undertaken in order to make it easier to follow.

### **Other changes**

- 4.13 The following changes are recommended:
- Removing the allowance for a personal telephone plan – members can claim \$150 for the use of their mobile phone.
  - Removing councillors' right to apply for overseas travel – unnecessary for councillors to go abroad, unless on behalf of the Mayor.
  - Removing the ability to claim expenses for hotel landline calls – all elected members have access to mobile phone.
  - Adding a requirement to disclose travel costs paid by outside parties on the gift register – for transparency reasons.
  - Adding the application process for how members can request to go on a training course – to be in line with the Members' Training and Development Policy.
  - Adding a vehicle mileage allowance for appointed members.

## 5. FINANCIAL IMPLICATIONS

- 5.1 The members' training budget has been set for 2020/21 so there is no budgetary implication for expanding the policy to include the five appointed members. However, it will mean that the training budget has to be shared between 20 members, so members may wish to consider the budget in future years.
- 5.2 The proposed change to the Expenses Policy to allow members to claim for bicycle care and public transport has a minimal effect within the existing allowance budget.

## 6. NEXT STEPS

If the Committee recommends the changes, the draft Expenses Policy will take effect upon Council's approval.

The Elected Member Professional Development and Training Policy will be reviewed in 2021.



## 7. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	No
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 5: A Driven and Enabling Council	
The recommendations contribute to the outcomes of the Driven and Enabling Council Strategy and Creative and Liveable Strategy	
The recommendations contribute to the achievement of action/actions in a plan under the Driven and Enabling Council Strategy	
Secondary achievement of action/actions in the Strategic Transport Plan	
The action is: Encouraging Active Transport.	
Contribution to strategic direction and to social, economic,	Review of the Expenses Policy to include appointed members ensures fairness of growth opportunities for all members which in turn contributes to effective governing of the City.

environmental and cultural well-being	Encouraging active transport choices amongst the leaders of the city contributes to the city's environmental wellbeing direction.
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ITEM 7

**ATTACHMENTS**

1. Draft Expenses Policy [↓](#) 
2. Draft Training Policy [↓](#) 

# Elected and Appointed Members' Expenses and Allowances Policy and the Elected Members Remuneration Determination 2020/21

*Approved by the Council on 13 November 2019*

*Amended: by the Council XX September 2020*

## Introduction

This policy sets out the rules for the claiming of expenses by elected and appointed members and the resources that will be available to them during their term of office.

Contact person for queries: Hannah White, Democracy & Governance Manager  
Email: [hannah.white@pncc.govt.nz](mailto:hannah.white@pncc.govt.nz)

The fundamental principle underlying these rules are that this is the spending of public money, consequently it should be subject to the standards of probity and financial prudence that are to be expected of a public entity; and able to withstand public scrutiny.

## Contents

<b>Authentication of Expense Reimbursements and Allowances .....</b>	<b>2</b>
<b>Definitions .....</b>	<b>2</b>
<b>Travelling Expenses on Council Business (Elected Members) .....</b>	<b>3</b>
<b>Participation in Hearings Allowance (Elected Members).....</b>	<b>6</b>
<b>Conference and Training Expenses (Elected and Appointed Members).....</b>	<b>7</b>
<b>Expenses and Allowances for the Mayor.....</b>	<b>8</b>
<b>Expenses and Allowances for the Deputy Mayor .....</b>	<b>9</b>
<b>Elected Members' Remuneration 1 July 2020 – 30 June 2021.....</b>	<b>10</b>



PALMERSTON NORTH CITY COUNCIL

## Authentication of Expense Reimbursements and Allowances

From time to time elected and appointed members incur expenses on the Council's behalf, which need to be reimbursed. This reimbursement and the use of Council supplied resources apply only to elected and appointed members personally, and only while they are acting in their official capacity as elected or appointed members.

Costs for expenses must have a justifiable Council business purpose, be moderate and conservative having regard to the circumstances, and be appropriate in all respects.

The process for reimbursement of claims includes the following principles:

- Any expenses to be reimbursed must be on an actual and reasonable basis and in line with Council policy;
- Expense claims are approved by the Democracy & Governance Manager. Full original receipts are required (except when claiming the active transport allowance); and
- Reimbursements will be made electronically into a nominated bank account.

In the case of one-off expenditure such as travel to conferences, the process and prior approvals required are detailed in this policy.

In the case of vehicle mileage and communications, all limits set in this document do not exceed the Remuneration Authority's Determination.

All expenditure that falls under this policy is approved on the condition that it can be met within relevant budget provisions.

## Definitions

**Active Transport** means using transport modes that involve physical activity to get to a destination eg. walking or cycling.

**Actual** means as evidenced by the original receipt attached to the claim form.

**Appointed Member:** A member of a Council committee who has been appointed by Council for their specific skills or knowledge, to enhance decision-making.

**Council business** includes formal council meetings, committee meetings, workshops, seminars, statutory hearings, training courses, site visits, meetings with staff, meetings with community groups, meetings with members of the public. It does not include events where the primary focus is on social activity.

**Elected Member:** A member of the Council elected under the Local Electoral Act 2001

**Reasonable** means that it is within the amount specified by this policy or as deemed reasonable by the Mayor and/or Chief Executive.

**Remuneration Authority** is an independent body established by the Remuneration Authority Act 1977, with responsibilities under the Local Government Act 2002 to determine remuneration and expense/allowance rules for local authority members.



### Travelling Expenses on Council Business (Elected Members\*)

Expense/Allowance	Description
<b>Travelling to and from Council Business</b>	<p>Members can claim for the reasonable cost of travelling to and from events when on council business.</p> <p>For events within Palmerston North, members are encouraged to use active or public transport whenever possible.</p> <p>It is expected that for elected members, the majority of Council business will be within the Manawatū- Whanganui region. However, on occasion council business might involve travelling elsewhere in New Zealand.</p> <p>Members must always use the most cost effective and reasonable method to travel.</p>
<b>Taxis</b>	<p>Taxis may be used for council business, instead of private vehicles or public transport, for the following reasons:</p> <ul style="list-style-type: none"> <li>• Safety/security reasons;</li> <li>• When elected members are on official council business or at an official event; and</li> <li>• When travelling outside Palmerston North if a taxi is the most appropriate form of transport.</li> </ul> <p>Taxis may not be used if significant travel distances mean that use of a taxi is not the most cost effective option.</p> <p>All elected members are provided with a Taxi Charge Card, which should be used for planned travel within New Zealand.</p>
<b>Vehicle Mileage Allowance</b>	<p>The vehicle mileage allowance is not payable to a member for travel between their place of residence and the Civic Administration Building.</p> <p>Elected members are expected to use a motor vehicle provided from the council pool when travelling on council business. However, if such a vehicle cannot be provided or the arrangements are unsuitable for the elected member concerned, then the elected member is entitled to be paid a vehicle mileage allowance while undertaking council business assessed as follows:</p> <p><u>for a petrol or diesel vehicle;</u></p> <p><b>79</b> cents per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and</p> <p><b>30</b> cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term.</p>



Expense/Allowance	Description
	<p><u>for a petrol hybrid vehicle;</u></p> <p><b>79</b> cents per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and  <b>19</b> cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term.</p> <p><u>for an electric vehicle,</u></p> <p><b>79</b> cents per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and  <b>9</b> cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term.</p>
<b>Air travel</b>	All elected members are entitled to utilise domestic air travel for council business , where travel by air is the most cost effective travel option. Travel will be by economy class except where exceptional circumstances arise.
<b>Bicycle Care Allowance</b>	<p>Council encourages all elected members to travel by active or public transport whenever possible.</p> <p>Members can claim up to \$100 for the maintenance and repair of their bicycle in the determination term.</p>
<b>Public Transport</b>	Members can claim for the cost of their bus fare when travelling on council business.
<b>Parking expenses</b>	The Council provides elected members with car parking exemption cards. The expectation is that these will be used only for council business.

\*Mayor's expenses are listed separately.

### Communication Allowance and other resources – (Elected Members\*)

Expense/Allowance	Description														
<b>Communications Allowance</b>	<p>A communication allowance is payable where elected members use their own devices and/or connection, as set out below.</p> <p>Where such devices or connections are partly provided by the Council, then the communications allowance payable will be adjusted accordingly.</p> <p>Members can claim for:</p> <table border="1"> <thead> <tr> <th>Particular</th><th>Amount</th></tr> </thead> <tbody> <tr> <td>home internet/broadband connection</td><td>\$400.00</td></tr> <tr> <td>personal computer, tablet or a laptop, including any related docking station</td><td>\$200.00</td></tr> <tr> <td>multi-functional or other printer</td><td>\$40.00</td></tr> <tr> <td>Mobile Phone</td><td>\$150.00</td></tr> <tr> <td><del>For the use of a personal telephone plan, \$400.00 or actual cost upon production of receipts</del></td><td><del>\$400.00</del></td></tr> <tr> <td><b>The total annual cost of allowances</b> by a member for the use of their own equipment or services must not exceed</td><td><b>\$790.00</b></td></tr> </tbody> </table>	Particular	Amount	home internet/broadband connection	\$400.00	personal computer, tablet or a laptop, including any related docking station	\$200.00	multi-functional or other printer	\$40.00	Mobile Phone	\$150.00	<del>For the use of a personal telephone plan, \$400.00 or actual cost upon production of receipts</del>	<del>\$400.00</del>	<b>The total annual cost of allowances</b> by a member for the use of their own equipment or services must not exceed	<b>\$790.00</b>
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<b>Subscriptions</b>	Expenses in respect of subscriptions to organisations will be reimbursed to or paid on behalf of an elected member where, in the opinion of the Chief Executive, membership would assist the elected member in carrying out their duties.														
<b>Travel Time Allowance</b>	A travel time allowance is not payable to elected members.														
<b>Childcare Allowance</b>	A childcare allowance is not payable to elected members.														
<b>Other</b>	Other expenses will be reimbursed to or paid on behalf of elected members where in the opinion of the Chief Executive such expenses are justified.														

\* Mayor's expenses are listed separately.



### Participation in Hearings Allowance (Elected Members)

Expense/Allowance	Description
<b>Allowance for participating in a resource consent or district plan hearing</b>	<p>Elected members are entitled to receive additional payments in addition to their annual remuneration for:</p> <ul style="list-style-type: none"> <li>• resource consent hearings under the Resource Management Act 1991 (RMA),</li> <li>• resource consent hearings under the Housing Accords and Special Housing Areas Act 2013 (HASHA), and</li> <li>• District Plan hearings,</li> </ul> <p>Council will pay the following hourly rate to elected members who participate in a hearing  Chairperson - \$100 per hour  Hearing Member - \$80 per hour</p> <p>Elected Members can claim for the time preparing for the hearing, which is paid at the same rate as attending hearings. Preparation could include:</p> <ul style="list-style-type: none"> <li>• time for reading,</li> <li>• attending onsite meetings, or</li> <li>• attending pre-hearing briefings and meetings.</li> </ul> <p>Elected Members can also claim for the time taken to attend a site visit.</p> <p>The chair of a hearing may also be paid for time spent writing up the decision or communicating for the purposed of the written decision.</p> <p>Reimbursement should not exceed the length of time of the hearing. For example, if a hearing lasts for three hours then no more than three hours of preparation time may be paid.</p> <p>The Mayor cannot receive fees for participating in resource consent hearings.</p>
<b>Allowance for participating in an alcohol licensing hearing</b>	<p>Elected members are entitled to receive additional payments in addition to their annual remuneration for:</p> <ul style="list-style-type: none"> <li>• Alcohol licensing hearings under the Sale of Liquor Act 2012</li> </ul> <p>Council will pay the following hourly rate to elected members who participate in an alcohol licensing hearing  Chairperson - \$78 per hour  Hearing Member - \$51 per hour</p>

### Conference and Training Expenses (Elected and Appointed Members\*)

Expense/Allowance	Description
<b>Conferences, courses, seminars and training</b>	<p>All elected and appointed members are entitled to request attendance of any conference, course, seminar or training event which contributes to the member's ability to carry out their Council role effectively.</p> <p>All members are entitled to payment of actual and reasonable registration, travel, accommodation, meal and related incidental expenses incurred in attendance at events held in New Zealand <del>or overseas</del>, subject to:</p> <ul style="list-style-type: none"> <li>• Related expenditure being accommodated within existing budgets; and</li> <li>• The appropriate approvals as outlined in this policy.</li> </ul> <p>Travel and accommodation arrangements for elected and appointed members are to be made by council staff with the council's preferred travel agents, at the most economic cost available (when possible) at the time of booking. Unless all travel costs are being met privately or by an outside party, staff will consider cost and environmental efficiency of travel when making bookings.</p> <p>If a member arranges their own travel, they are entitled to be reimbursed at the rate of the most economic cost of travel available to council staff, or the actual cost of travel (whichever is lower).</p> <p>No financial provision is to be made for a spouse or partner of a member attending any conference or training opportunity <del>other than for the Mayor's spouse or partner attending a conference in association with the Mayor.</del></p>
<b>Disclosure on the Gift Register</b>	<p>If travel costs are being paid for by an outside party, members need to disclose the provider as a gift on the gift register as soon as practicable.</p>
<b>Private accommodation provided by friends/relatives</b>	<p>Payment of \$75.00 per night when staying in private accommodation, to cover accommodation and breakfast. It is intended that at least a portion of this allowance is paid to the accommodation provider.</p>
<b>Subsistence and other costs while attending a training course</b>	<p>The Council will only pay for two beverages with any meal, alcoholic or non-alcoholic, for example, two small glasses of wine/non-alcoholic beverage, two cans or two small bottles of beer. Any additional drinks are to be met by the member concerned.</p> <p><del>Cost of telephone calls made from accommodation landlines, may be refunded as follows:</del></p> <ul style="list-style-type: none"> <li><del>• Cost of one call per night can be claimed; and</del></li> <li><del>• Costs of calls in contacting constituents may be refunded provided the call is for the business of the Council.</del></li> </ul>



PALMERSTON NORTH CITY COUNCIL

Expense/Allowance	Description
	This policy does not cover purchases from hotel mini-bars, charges for in-room movies, newspapers, laundry, <b>hotel telephone calls</b> and other miscellaneous costs. These expenses will be met by the member concerned.
<b>Attendance Process</b>	Attendance for training courses and/or conferences must be approved by the Mayor and Deputy Mayor, or if one of those is unavailable the other acting conjointly with the Chairperson of the Finance and Audit Committee, in accordance with the process as set out in clause 190 of the Council's Delegations Manual.
<b>Vehicle Mileage Allowance</b>	Appointed Members who live outside of Palmerston North will be recompensed at a rate agreed by contract.

\* Mayor's expenses are listed separately.

### Expenses and Allowances for the Mayor

Expense/Allowance	Description
<b>Car</b>	The Mayor will be provided with a vehicle that will also be available for their private use. A deduction will be made from their salary as determined by the Remuneration Authority. The Mayor will not be able to claim for vehicle mileage.
<b>Car parking</b>	Use of an assigned car park in the Civic Administration Building in addition to a car parking exemption card.
<b>Travel and conferences, courses and seminars</b>	<p>The prior approval of the Chief Executive is required for travel within New Zealand or Australia for: Council business; attendance at conferences/courses/training events/ seminars; other purposes associated with the position of Mayor.</p> <p>Expenses relating to the Mayor's spouse or partner attending functions with the Mayor on official invitations are covered under this policy.</p> <p>The prior approval of the Council is required for all international travel (with the exception of Australia), where costs or partial costs are paid for by Council funds.</p>
<b>Airline club</b>	Given frequent travel requirements for the role, payment of an Air New Zealand Koru Club subscription.
<b>Entertainment and hospitality</b>	<p>The Mayor holds a credit card to pay directly for any entertainment or hospitality expenses incurred while carrying out council business. Full receipts and details of the names of parties entertained and reasons for the entertainment are to be provided.</p> <p>All expenditure on this card is approved by either the Chairperson of the Finance &amp; Audit Committee or the independent non-elected member appointed to that Committee.</p>
<b>Provision of Equipment/Services</b>	Council will provide the Mayor a:

Expense/Allowance	Description
	<ul style="list-style-type: none"> <li>• Mobile phone;</li> <li>• Computer and/or tablet; and</li> <li>• An internet connection.</li> </ul> <p>In addition, the Council pays in full the Mayor's:</p> <ul style="list-style-type: none"> <li>• Home telephone rental, and associated toll charges; and</li> <li>• Monthly mobile phone based rental, and all associated call charges.</li> </ul>
<b>Reporting of Expenses</b>	Expenses of the Mayor are to be reported annually to the Finance & Audit Committee.

### Expenses and Allowances for the Deputy Mayor

Expense/Allowance	Description
<b>Car parking</b>	Use of an assigned car park in the Civic Administration Building in addition to a car parking exemption card.
<b>Entertainment and hospitality</b>	<p>The Deputy Mayor holds a credit card to pay directly for any entertainment or hospitality expenses incurred while carrying out council business. Full receipts and details of the names of parties entertained and reasons for the entertainment are to be provided.</p> <p>All expenditure on this card is approved by the Chief Executive</p>
<b>Provision of Equipment/Services</b>	<p>The Provision of:</p> <ul style="list-style-type: none"> <li>- Mobile Phone;</li> <li>- Computer and/or tablet; and</li> <li>- An internet connection.</li> </ul> <p>In addition, the Council pays in full the Deputy Mayor's:</p> <ul style="list-style-type: none"> <li>- Monthly mobile phone based rental, and all associated call charges.</li> </ul>
<b>Reporting of Expenses</b>	Expenses of the Deputy Mayor are to be reported annually to the Finance & Audit Committee.

### GENERAL

This policy will apply from **XX** September 2020 but is subject to approval of the Remuneration Authority.

The amounts payable as an allowance in this policy shall be adjusted automatically if changes to any of these amounts are made by the Remuneration Authority.



PALMERSTON NORTH CITY COUNCIL

**Elected Members' Remuneration 1 July 2020 – 30 June 2021**

<b>Office</b>	<b>Annual remuneration (\$)</b>
Mayor	152,500 *
Deputy Mayor, Chair—Economic Development Committee, Chair—Hearings Committee, and Chair—Chief Executive's Performance Review Panel	80,524
Chair—Finance and Audit Committee	54,134
Chair—Infrastructure Committee	54,134
Chair—Planning and Strategy Committee	54,134
Chair—Arts, Culture and Heritage Committee	50,810
Chair—Community Development	50,810
Chair—Environmental Sustainability Committee	50,810
Chair—Play, Recreation and Sport Committee	50,810
Councillor (with no additional responsibilities) (7)	47,486
Councillor (Minimum Allowable Remuneration)	43,067

\* adjusted by the Covid-19 Determination 9 July 2020.



## Elected and Appointed Members' Professional Development and Training Policy

### 1. Objective

This Policy has been established to demonstrate Council's commitment to ensuring CouncillorsElected and Appointed Members have equal access to training and educational opportunities and have the opportunity to maintain their knowledge and skills base to contemporary standards and expectations.

### 2. Background

The knowledge, skills and experiences that CouncillorsElected and Appointed Members bring when they are elected or appointed and that are enhanced during an induction program me generally need to be supplemented with further knowledge and skills development relevant to the specific role and responsibilities of CouncillorsElected and Appointed Members.

It is important that CouncillorsElected and Appointed Members have or may quickly attain a clear understanding of the system of Local Government, how their Council works and the full range of their roles and responsibilities.

It is equally important that all CouncillorsElected and Appointed Members have continuing opportunities to undertake appropriate skills development and training in areas needed to assist them to carry out their role effectively.

A well-planned, structured and continuing training and professional development program enables CouncillorsElected and Appointed Members to continue to develop relevant skills and knowledge over time. This is important given the varying responsibilities of the role, the dynamic nature of the legislative and policy framework within which local government operates, the many competing priorities and high community expectations.

Benefits of a professional development program include:

- Opportunity to provide needs-based training and professional development to CouncillorsElected and Appointed Members to assist them to function well in their role and to make informed and effective decisions
- Opportunity for CouncillorsElected and Appointed Members to learn new skills, knowledge and gain experience
- Opportunity to provide structured updates on changes to key legislation and policies as well as briefings to CouncillorsElected and Appointed Members on key issues

Currently, there are no specific legislative requirements pertaining to Councillor-Member training or education. However, Councils are-is strongly encouraged to develop training programmes and encourage continuing development programmes to support CouncillorsElected and Appointed Members in their role.

Oasis: 10116452

### 3. Definitions

In this Policy, the following definitions apply:

**Professional Development:** Includes personal development such as short courses, study tours, conferences, seminars, forums, readings, magazines and articles.

### 4. Application of Policy

This Policy applies to Elected and Appointed Members.

### 5. Policy

The training made available to CouncillorsElected and Appointed Members will assist them in carrying out their local government duties. Training will be offered on a continual basis throughout the Councillor's-Member's term.

The development and delivery of a continuing professional development program for CouncillorsElected and Appointed Members has a number of phases including:

- Commitment to continuing professional development for CouncillorsElected and Appointed Members
- Training and development needs analysis
- Development of a training and development plan (including budget allocation)
- Delivery
- Evaluation

#### ***Commitment to Continuing Professional Development for CouncillorsElected and Appointed Members***

Council will establish, maintain and promote their commitment to Elected and Appointed Member training and development.

Councillor Member-training and development should be seen as an investment to enhance the effectiveness of the Council's performance in achieving its goals (as for workforce development).

Training offered to CouncillorsElected and Appointed Members will be classified as:

- Imperative
- Desirable
- Developmental

#### ***Imperative Training***

Training offered to CouncillorsElected and Appointed Members is considered ***imperative*** when:

- It is vital to the role of Councillor Member
- Should be attended by all CouncillorsElected and Appointed Members
- Specific to the legislative and governance roles and functions such as:
  - Roles and responsibilities of CouncillorsElected and Appointed Members

Oasis: 10116452

- Relationship between CouncillorsElected and Appointed Members, General Manager and staff
- Meeting Procedures
- Conflict of Interest and Code of Conduct policies as adopted by Council
- Good governance
- CouncillorsElected and Appointed Members should attend the matters listed as “*Imperative Training*” at least once every term.

#### ***Desirable Training***

Training offered to CouncillorsElected and Appointed Members is considered “*desirable*” when:

- It is important to the role of CouncillorMember
- It is in the best interest of the CouncillorMember to attend.

Training may arise from time to time when it relates to the maintenance of good governance. It may include, but not limited to community issues which address environmental, social and economic issues and challenges:

- Financial Skills
- Planning Legislation
- Strategic Management
- Community Leadership
- Media Skills
- Handling Difficult People for CouncillorsElected and Appointed Members
- Performance Management of Senior Staff.

CouncillorsElected and Appointed Members should attend the matters listed as “Desirable Training” at least once every term.

#### ***Skills and Knowledge Self-Assessment Tool***

The following list of key skills and knowledge areas will assist CouncillorsElected and Appointed Members to become more effective. This list will identify some possible training and developmental areas for CouncillorsElected and Appointed Members. Important skills:

- Leadership skills
- Relationship management
- Communication skills including negotiating, conflict resolution, advocacy and lobbying
- Presentation skills
- Problem solving and analytical skills
- Teamwork skills
- Organisational skills.

Knowledge of:

- Central and Local Government relationships
- How Local Government Councils operate
- Role of a CouncillorMember
- CouncillorMember, General Manager and staff relationships

Oasis: 10116452

- Code of Conduct and Conflict of Interests
- Key aspects of the *Local Government Act*
- Environmental planning and assessment processes
- Whole of community representation
- Social justice principles
- Meeting regulations and procedures
- Strategic management planning and reporting, particularly Integrated.

#### Planning & Reporting

- Financial management requirements in the *Local Government Act*
- Local Government regulation and reporting processes
- Asset management
- Knowledge of the demographic profile of the Council area and the social environmental and economic issues facing the community.

#### ***Developmental Training***

Training offered to Councillors Elected and Appointed Members is considered “**developmental**” when it is aimed at further developing the skills or professional expertise of the Councillor Member.

Councillors Elected and Appointed Members are encouraged to accept training classified as “**developmental**”. Such training may include, but not limited to:

- Attendance at LGNZ workshops whether public, in house, regional programs or induction seminars
- Seminars and informal sessions conducted by Council with appropriate
- Guest speakers and trainers
- Purchase of training booklets and discussion papers that could be distributed to Councillors Elected and Appointed Members for information
- On-line training delivery
- Mentoring.

The following modules are those considered important for Councillors Elected and Appointed Members’ continuing development:

- Induction for Councillors Elected and Appointed Members
- Conflict of Interest and Model Code of Conduct
- Financial Skills
- Good Governance
- Planning Legislation Skills and Knowledge
- Effective Meeting Skills
- Strategic Management
- The Effective Chair in Local Government
- Councillors Elected and Appointed Members as Change Initiators
- Understanding Sustainability for Councillors Elected and Appointed Members
- Media Skills
- Advanced Media Skills
- Dynamic Presentation Skills
- Performance Management of Senior Staff

Oasis: 10116452

- Connecting with the Community
- Lobbying for Success
- Community Leadership
- Preventing Bullying and Harassment Training for CouncillorsElected and Appointed Members
- Handling Difficult people for CouncillorsElected and Appointed Members
- Speed Reading Skills for CouncillorsElected and Appointed Members.

### **Minimum Training Requirements**

The minimum requirements for Councillor-Member training are:

- Internal Councillor-Member Induction Sessions
- Councillor-Member Information Seminars as delivered by LGNZ.

### **Budget**

Each year, the Council will allocate a budget to support the Councillor-Member training and development activities to be undertaken in the following year. Progress against expenditure of the budget allocation should be reported on a quarterly basis.

Council will need to determine the size of the budget allocation, which may change annually, depending on training needs. For example, when a new Council-Member is elected or appointed, there will be a need to budget for an induction program.

### **Approval of Training Payment of Expenses**

Approval for training and reimbursement for expenses relating to a Councillor'sMember's attendance at training will be determined in accordance with Council's "Elected and Appointed Member Expenses Policy" and PNCC Delegations Manual.

If courses are less than \$2,000 they may be approved by the Mayor and Deputy Mayor, or Chair of the Finance and Performance Committee if either the Mayor or Deputy Mayor are unavailable. This will then be reported to the Governance and Support Team Leader who will compile a report to Council quarterly.

The Mayor in collaboration with the Governance and Support Team Leader will send out a list of courses approved/declined by the Mayor if under the financial threshold to all Elected and Appointed Members on a weekly basis along with the 'What's On' email.

### **Notification to CouncillorsElected and Appointed Members**

CouncillorsElected and Appointed Members are encouraged to identify upcoming training programmes, and CouncillorsElected and Appointed Members may notify the Governance and Support Team of any training that they may wish to attend or that other CouncillorsElected and Appointed Members may be interested in attending and seeking subsequent approval.

### **Recording and Reporting**

The data to be maintained will include:

- Courses, workshops or information sessions formally made available to CouncillorsElected and Appointed Members

Oasis: 10116452

- Classification of training made available under this policy
- CouncillorsElected and Appointed Members who have undertaken the training.

CouncillorsElected and Appointed Members are to report back on their findings at the following 'Councillor-Member only Session' with a short written report and circulate as required

Oasis: 10116452

## COMMITTEE WORK SCHEDULE

**TO:** Finance & Audit Committee

**MEETING DATE:** 16 September 2020

**TITLE:** Committee Work Schedule

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### RECOMMENDATION TO FINANCE & AUDIT COMMITTEE

1. That the Finance & Audit Committee receive its Work Schedule dated September 2020.

### ATTACHMENTS

1. Committee Work Schedule - September 2020 [↓](#) 

## FINANCE & AUDIT COMMITTEE

### COMMITTEE WORK SCHEDULE – SEPTEMBER 2020

Item No.	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction/ Point of Origin
1.	September 2020	Business continuity planning update with respect to COVID-19	Business Assurance Manager	As per the business assurance plan approved by Council, a review was initiated on our Business Continuity Plans. The findings from this review will be reported back to the Finance & Audit Committee in September	18 March 2020 Clause 18-20
2.	September 2020	Review of Elected Members' Expenses and Allowances Policy	Democracy and Governance Manager		19 February 2020 Clause 3-20
3.	September 2020	Expenses of the Mayor and Deputy Mayor	General Manager – Strategy and Planning	Seeking clarification from Committee	Council 13 November 2019 Clause 148.6
4.	September October 2020	Issues and options report on the audit issues facing Council Controlled Organisations	Chief Financial Officer	Discussions with Audit NZ and CCO's have not yet been finalised; this will be reported to the October meeting	10 September 2018 Clause 27.6
5.	October 2020	Energy and environmental efficiency options report for any public housing opportunities	Chief Infrastructure Officer		17 June 2020 Clause 23-20 (3)
6.	October 2020	Quarterly Performance and Finance Report	Chief Financial Officer		
7.	November 2020	Health and Safety quarterly update	Health, Safety & Wellbeing Manager		