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Council

Meeting of 014- 18/05/2023: Council

Business Unit: Community
Date Created: May 2, 2023

Manawatu Community Trust Remuneration 2023 / 2024

Purpose Te Aronga o te Pūrongo

To consider remuneration payable to the Manawatū Community Trust for the financial year 2023 / 2024.

Significance of Decision Te Hira o te Whakataunga

The Council's Significance and Engagement Policy is not triggered by matters discussed in this report. No stakeholder engagement is required.

Recommendations Ngā Tūtohinga

That Council approves:

1. The annual remuneration pool payable to the Manawatu Community Trustees for the period from 1 July 2023 to 30 June 2024 be set at maximum $113,600 per annum and allocated to the Trustees as determined by resolution of the Trust Board.

2. To award a larger percentage increase to the Chair from 1:1.39X ratio between the trustees to the Chair to 1:1.50X.

Report prepared by:
Maree Pritchard
Community Operations Advisor

Approved for submission by:
Lyn Daly
General Manager - Community

1 Contribution to Community Well-being and Council's Community Outcomes Te Tūhono ki ngā Whāinga a te Kaunihera mō te Oranga Hapori me te Whakawhanake Hapori

1.1 Relationship to Council's strategic priorities (community outcomes):

A place to belong and grow He kāinga e ora pai ai te katoa	ü
A future planned together He kāinga ka whakamaherea tahitia tōna anamata e te hapori tonu	
An environment to be proud of He kāinga ka rauhītia tōna taiao	
Infrastructure fit for future He kāinga ka tūwhena tonu ōna pūnahahanga, haere ake nei te wā	
A prosperous, resilient economy He kāinga ka tōnui tōna ōhanga	
Value for money and excellence in local government He kāinga ka eke tōna kāwanatanga ā-rohe ki ngā taumata o te kairangi	ü

1.2 The Manawatū Community Trust (MCT) has the purpose of the promotion of housing for the elderly and disabled residents of the Manawatū district and the promotion of wellbeing services for residents of the Manawatū district.

2 Background Ngā Kōrero o Muri

2.1 The Manawatu Community Trust Deed specifies that each Trustee is eligible to receive reasonable remuneration for carrying out trustee duties.

2.2 The Council's Appointment and Remuneration of Directors Policy, requires the Council as the Settlor of the Manawatu Community Trust to review annually and set director's remuneration to ensure levels are appropriate.

2.3 The fees were last increased 15 October 2020 to reflect the recommendation from the Strategic Pay 2020 remuneration review report. The MCT remuneration review was completed on the basis of having five (5) Trustees. At the 15 October 2020 Council meeting, changes to the Trust Deed were made and up to three (3) co-opted Trustees for a 12 month period were approved. The remuneration pool was increased to cover eight (8) Trustees. Council approved the annual remuneration pool payable by the Manawatū Community Trust be set at $154,900 per annum to cover eight (8) trustees and allocated to the Trustees as determined by resolution of the Manawatū Community Trust Board.

2.4 The Manawatū Community Trust Board does not currently have co-opted trustees.

2.5 Current fees paid are:

Chair $27,295

Trustees x 4 $19,570

Total remuneration pool currently paid is $105,575. This is within the recommended fees range of $102,600 to $133,600 as per the Strategic Pay 2020 and 2023 reports which both recommend the same range.

3 Discussion and Options Considered Ngā Matapakinga me ngā Kōwhiringa i Wānangahia

3.1 For the 2023/24 financial year, an updated report / advice was sought from Strategic Pay regarding Trust remuneration to ensure specialist advice on the remuneration levels of other Trusts and the market movement in New Zealand Directors Fees.

3.2 The recommendation from Strategic Pay is to award a larger percentage increase to the Chair from 1:1.39X ratio between the trustees to the Chair to 1:1.50X. At the current trustee remuneration level of $19,570 this would mean an increase for the Chair from $27,295 to $29,355.

3.3 The recommended fee range is the same as the 2020 report, with room to move the fees within the range provided.

3.4 The Strategic Pay recommendation summary is listed following, with the full report attached (ref: **Appendix 1)**.

2. Recommendation Summary

RECOMMENDED DIRECTOR FEE POLICY

Manawatū Community Trust to pay Trustees at the Median of organisations with similar revenue size of below $5m.

Currently there is 1:1.39X ratio between the trustees and Chair. With the added responsibility of the role of Chair we suggest increasing the ratio to 1.5X that of the Trustees and therefore awarding a slightly larger percentage increase to the Chair.

As described in this report there has been 0% movement of trustee fees within the Not for Profit sector therefore we have not recommended an increase to the fee range as Manawatū Community Trust has room to move the fees within the ranges provided previously.

RECOMMENDED DIRECTOR FEES

Role / Committee	Current Fees	Recommended Fees Range		% Increase to upper end of range
Chair	$27,295	28,000	31,000	2.6% - 14%
Trustees x 4	$19,570	18,650	20,650	0% - 6%
Total Governance Pool	$105,575	$102,600	$113,600	0% - 8%

In our view, the recommended ranges represent market levels appropriate for your organisation given the context provided, and previous advice.

Strategic Pay's guiding principle is that it is important not to undervalue the contributions, experience or time committed by Board members.

Full details of the recommendation appear in Section 7: Recommendation.

4 Te Kīwai (o te kete)

4.1 Te Kīwai is the engagement process which guides Council's practice and ensures the onus to engage and include Māori is shared between Council and all partners. In this manner, we progress both the articles and principles of Te Tiriti o Waitangi by maintaining the balance between Kawanatanga (Governance) of the Council and Tino Rangatiratanga (Sovereignty) of whānau, hapū, and iwi Māori.

4.2 There are no known cultural considerations associated with the matters addressed in this report. No engagement with Māori is necessary.

5 Community Engagement Te Whai Wāhitanga mai o te Hapori

5.1 There is no community engagement required for this decision. MCT will be informed of the Council resolution resulting from this report. No further consultation is required.

6 Operational Implications Te Whai Pānga Atu ki ngā Kaupapa Mahi

6.1 There are no Operational Implications as a result of this decision.

7 Financial implications Te Whai Pānga Atu ki ngā Kaupapa Ahumoni

7.1 There are no financial implications associated with this decision. MCT remunerates the trustees from their own financials.

8 Statutory Requirements Ngā Here ā-Ture

8.1 The recommendation is in accordance with Council's Statutory Requirements as set out in Section 57 of the Local Government Act 2002 - 'Appointment of Directors'.

9 Delegations Te Mana Whakatau

9.1 Council has delegated authority to make decisions regarding appointments to its Council Controlled Organisations (CCO).

10 Conclusion Whakatepenga

10.1 The annual remuneration pool payable to the Manawatu Community Trustees for the period from 1 July 2023 to 30 June 2024 be set at maximum $113,600 per annum and allocated to the Trustees as determined by resolution of the Trust Board.

10.2 To award a larger percentage increase to the Chair from 1:1.39X ratio between the trustees to the Chair to 1:1.50X.

11 Attachments Ngā Āpitihanga

- Strategic Pay Manawatū Community Trust Trustees' Fees Review