



LG 01/2018

31 January 2018

Expenses and allowances for local authority members

Dear Chief Executive,

I am directed by the Minister for Local Government & Electoral Reform, under Regulation 17 of the *Local Government (Expenses of Local Authority Members) Regulations 2014-2017*, to notify you of revisions to the expenses and allowances regime for elected members of local authorities, the terms and conditions of which are fully set out in Appendix I to this circular.

Vouched Expenses Allowance (Part I, Paragraph 2, Schedule A and Schedule B)

The amending expenses regulations (S.I. No. 494 of 2017) provided for the introduction, with effect from 1 July 2017, of a new vouched expenses allowance, worth up to a maximum of €5,000 per annum, that elected members may choose to opt for instead of the fixed annual rate for miscellaneous expenses (worth between €2,286 and €2,667).

Circular LG 07/2017, Part I, Schedule A, set out the eligible expenditure categories that apply to the new vouched expenses allowance. These eligible expenditure categories have now been further amended and extended as follows:

- In relation to the purchase of secretarial support, a Member may hire any person who is eligible to work provided he/she is not an employee of the local authority. Documentation showing the hours/dates worked and payments made by the Member to the person providing the secretarial support must be provided to the local authority. It is the responsibility of the Member and the individual providing the secretarial support, as appropriate, to ensure that they are compliant with relevant employment, taxation and social welfare laws.
- Additional vouched eligible expenditure categories have been added to include rent, rates and utilities in relation to an office, including a home office. A Member may also claim for signage in respect of their office. Part I, Schedule B, sets out detailed guidance on rent, rates and other such charges in relation to an office.

These measures are backdated to 1 July 2017 with a pro rata maximum amount of €2,500 applying for the period 1 July 2017 to 31 December 2017. Members who choose to claim vouched expenses must provide written notification to the local authority within a reasonable time limit set by the local authority following the issuing of this circular.

The categories of eligible expenditure and the terms that apply are based on the Public Representation Allowance (PRA) that Oireachtas Members receive. Child care costs incurred by Members while attending Council meetings are not included as an eligible expenditure category as it was agreed between the Department and the Department of Public Expenditure and Reform, while drafting the amending regulations, that the vouched expenses allowance would be aligned with the arrangements in place for Oireachtas Members and the PRA does not cover childcare costs.

Notwithstanding this existing position, and acknowledging the Department's responsibility under the *National Strategy for Women and Girls 2017-2020* to work for greater female representation in politics, the Department will consider potential supports to promote the participation of women in the 2019 local government elections and advise local authorities in due course.

Allowances for Members of Municipal Districts/Area Committees (Part IV, B)

The Revenue Commissioners have advised the Department that the new allowance, worth €1,000 per annum, for members of municipal districts and members of area committees is liable for tax and PRSI in the normal way.

Furthermore the Department of Public Expenditure and Reform has advised that this allowance is liable, under the provisions of the FEMPI Acts, for Pension Related Deduction (PRD) in cases where a Member is receiving non-expense public service incomes that exceed the threshold for PRD (currently set at €28,750 per annum). In practice, this should generally only affect Members who are also employed as public servants.

Travelling Expenses Allowance, Outside Bodies and Aggregated Travel (Part II, Paras 22-24)

The revised arrangements for the reimbursement of motor travel expenses include four distance bands. These bands were set by the Minister for Public Expenditure and Reform last year following the acceptance of an agreed recommendation of the General Council under the Scheme of Conciliation and Arbitration for the Civil Service and now apply generally across the public sector, including Members' Travelling Expenses Allowance.

Official Motor Travel in a calendar year	Engine Capacity Up to 1,200cc	Engine Capacity 1,201cc to 1,500cc	Engine Capacity 1,501cc and over
0 - 1,500 km	37.95 cent	39.86 cent	44.79 cent
1,501 - 5,500 km	70.00 cent	73.21 cent	83.53 cent
5,501 – 25,000 km	27.55 cent	29.03 cent	32.21 cent
25,001 km and over	21.36 cent	22.23 cent	25.85 cent

The Department of Public Expenditure and Reform has advised this Department that, in accordance with the Revenue Commissioners' rules on reimbursement, all motor travel undertaken by a Member should be aggregated on an annual basis for the purpose of determining progression through the four travel bands. Where travel expenses are being

claimed by a Member from more than one public service body (such as outside bodies) then it is the aggregated distance of all travel accrued that determines the travel band that the Member is on at any given time.

It is incumbent on each Member, as the claimant, to make all relevant bodies aware of all motor travel expenses claimed to date during the calendar year in order to ensure reimbursement is being paid at the correct rate. Local authorities should consider establishing administrative procedures for receiving and recording returns from members for aggregated travel distances.

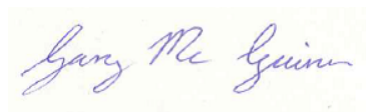
Annual Travel Rate (Part I, Paragraph 1)

The annual travel rate that Members receive as part of their Annual Expenses Allowance can continue to be calculated separate to the Travelling Expenses Allowance. The annual travel rate is part of a composite allowance and there are very specific terms and conditions that apply (i.e. the indexed travel bands, 80% attendance rule, etc). As such it is not suited to being calculated on an aggregated basis with general travel expenses.

Please bring this circular to the attention of your elected members and relevant employees dealing with expenses.

If further clarification is sought in relation to these matters, please contact Grant Couper at grant.couper@housing.gov.ie or Gary McGuinn at gary.mcguinn@housing.gov.ie.

Yours sincerely,



Gary McGuinn
Assistant Principal Officer
Local Government Oversight and Governance

To: the Chief Executive Officer of each local authority

Cc: the Association of Irish Local Government and the Local Authority Members Association