



LG 03/2017

Changes to domestic travel and subsistence rates effective from 1 April 2017

Dear Chief Executive,

I am directed by the Minister for Housing, Planning Community and Local Government to inform you of changes to the mileage rates for motor travel and to the standard rates of subsistence allowance in Ireland, following a review by the Minister for Public Expenditure and Reform.

These amended rates apply across the public service, including to allowances for expenses incurred by elected members of local authorities under article 17 of the *Local Government (Expenses of Local Authority Members) Regulations 2014* (S.I. No. 236 of 2014).

The new arrangements will take effect from 1st April 2017.

Motor travel

1. The previous system of rates and mileage bands in place since January 1999 has been reviewed in the context of modern motoring needs and conditions.
2. The revised rates are based on a methodology that reflects changes in technology, road conditions, commuter behaviour, and car ownership patterns. Some of the key changes made to the formula include:
 - a. An increase in the number of distance bands from two to four allowing a more nuanced compensation regime focused on elected members who do significant driving related to their work as public representatives;
 - b. A lower recoupment rate for the first 1,500km;
 - c. An increased recoupment rate from 1,501km to 5,500 focussed on elected members who do significant driving related to their work as public representatives;

- d. More beneficial compensation rates for cars with lower engine sizes and emissions;
 - e. The formula for calculating mileage now assumes an elected member replaces their car every four years rather than every three years.
 - f. The Government's National Policy on Climate Action commits to the development of a cost effective policy for reducing carbon emissions and increasing efficiency within the transport sector. The importance of encouraging elected members to choose more environmentally-friendly vehicles and methods of travel is noted and future arrangements will move progressively in this direction in subsequent revisions of the mileage formula.
3. Details of the new arrangements are set out in Appendix 1 of this Circular.
 4. The amount of mileage accumulated by elected members between 1st January 2017 and 1st April 2017 will not be altered by the introduction of these new bands and rates. Mileage to date will, however, count towards aggregated mileage for the year.

For example, an elected member driving a car in the '1200-1500cc' engine size who had claimed 1,400km on 1st April 2017 would then move to the new Band 1 and receive 39.86 cent per kilometre. Once they have driven a further 100km, they would then move to Band 2 and receive 73.21 cent per kilometre.

5. All mileage claims in respect of the period 1st January 2017 to 31st March 2017 should be made **before 31st March 2017**.
6. The rates listed in Appendix 1 of this Circular will be locked in for a period of three years. It is the intention of the Department of Public Expenditure and Reform that any future review of this formula will include a five year replacement rate, in order to take account of increased efficiencies and improvements in motor technology.

Standard Domestic Subsistence Rates

7. The revised standard rates of subsistence allowance in Ireland are specified in the schedule at Appendix 2.
8. In accordance with the agreed procedures and in line with changes to the Consumer Price Index (CPI), the standard overnight rate has been increased, while both day rates remain unchanged.

Vouched Accommodation (“VA”) Rate for Dublin

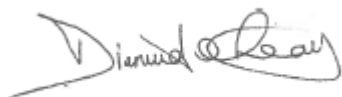
9. In recognition of difficulties in sourcing suitable accommodation in Dublin within the standard rate, it has been agreed that, with effect from 1st April 2017, a separate Vouched Accommodation (“VA”) rate may apply where elected members are claiming an overnight allowance in Dublin.
10. In such cases, a Vouched Accommodation Rate consisting of the **vouched** costs of accommodation up to a limit of the standard overnight rate (€133.73) plus the appropriate day rate for the elected member’s meals, may be claimed.
11. In accordance with existing policy, where an elected member sources accommodation that exceeds the cost of the standard overnight rate or vouched accommodation rate as appropriate, they will be solely responsible for meeting the additional accommodation expense. Elected members should note that the subsistence allowance payable is not intended to meet the whole cost of subsistence.
12. The standard Overnight rate will continue to apply where elected members source accommodation and meals in Dublin within the rate. Where elected members cannot source accommodation within this rate, they may claim the VA rate. Accommodation costs while claiming the VA rate must be vouched.

General

1. Payment of the rates authorised in this Circular are subject to the regulations (S.I. No. 236 of 2014) and any other instructions in force from time to time, including the distance requirements outlined in circular LG05/2015 ‘Domestic Subsistence Rates and Distance Requirements for Elected Members with effect from 1 July 2015’.
2. Chief Executives of local authorities should continue to appraise, monitor and ensure that only essential travel is undertaken and that the number of elected members on any official journey is kept to the absolute minimum.
3. A copy of this circular should be circulated to each elected member of your local authority and all officers in your local authority who are responsible for travel and subsistence.

4. Enquiries from **elected members** in respect of this circular or enquiries regarding rates applicable to locations which are not listed in the Appendices should be addressed to the relevant local authority officer in the first instance. Any enquiries about the application of this Circular from **local authorities** should be addressed to Grant Couper at grant.couper@housing.gov.ie, or by phone at 01-8882826.

Yours sincerely,



Diarmuid O'Leary
Principal Officer
Local Government Oversight and Governance

To the Chief Executive of each County, City and County, and City

Copied to: Association of Irish Local Government (AILG)
Local Authority Members Association (LAMA)

Appendix 1

Motor Travel Rates 2017

Effective from 1st April 2017

Motor Travel Rates per kilometre

Distance Bands		Engine Capacity up to 1200cc	Engine Capacity 1201cc to 1500cc	Engine Capacity 1501cc and over
Band 1	0 – 1,500 km	37.95 cent	39.86 cent	44.79 cent
Band 2	1,501 – 5,500 km	70.00 cent	73.21 cent	83.53 cent
Band 3	5,501 – 25,000 km	27.55 cent	29.03 cent	32.21 cent
Band 4	25,001 km and over	21.36 cent	22.23 cent	25.85 cent

Reduced Motor Travel Rates per kilometre

Engine Capacity up to 1200cc	Engine Capacity 1201cc to 1500cc	Engine Capacity 1501cc and over
16.59 cent	17.63 cent	18.97 cent

Appendix 2

Standard Domestic Subsistence Rates

Effective from 1st April 2017

Overnight rates		
Normal Rate	Reduced Rate	Detention Rate
€133.73	€120.36	€66.87

Day Rates	
10 hours or more	5 hours but less than 10 hours
€33.61	€14.01

Vouched Accommodation (“VA”) Domestic Subsistence Rates (for use in Dublin only)

Effective from 1st April 2017

Vouched Accommodation (“VA”) Rate	Accommodation		Meals
VA Rate	<u>Vouched</u> cost of accommodation up to €133.73	Plus	€33.61