

00324-15: Travel and Subsistence Review

To: Minister	Author: David Denny
Status: For Review by Minister	Owner: Sub_PER Ministers Office
Purpose: Approval	Reviewers:
Division/Office: Remuneration and Industrial Relations	
Decision By:	

Action Required

To seek your approval to write to the Departments/Ministers with responsibility for various areas of the public service informing them of the Agreement which has been reached with the staff side following a review of the travel and subsistence arrangement

✓ Agreed.
 [Signature] 16/4

Executive Summary

Agreement has been reached with the staff side that both the distance requirement and the overnight and the 5 hour rates are to be increased with effect from 1 July 2015. The agreed distance increases will result in a reduction in the number of instances of claims which in turn will more than offset the increase in the actual rates, with an estimated saving of €2m in a full year in the civil service and a possible €7m in a full year in the wider Public Service.

With the reduction in Public Service numbers it is inevitable that there will be an increase in the requirement for travelling officers to travel greater distance as areas of responsibility have expanded. For this reason it is particularly important to recalibrate and modernise our travel and subsistence regime. The overall package agreed represents a significant modernisation of the subsistence regime to better reflect modern commuting patterns.

Comments

There are no Comments.

Detailed Information

As you are aware the Haddington Road Agreement noted that the Government intended to review travel and subsistence arrangements and committed the parties to cooperating with the review and implementing standardised arrangements across the public service.

This review was carried out and following intensive discussions with the staff side the following agreements have been reached with regards to subsistence payments:

- An increase in the overnight distance requirement from 48 km to 100 km with effect from 1 July 2015.
- An increase in the day rate distance requirement from 5 km to 8 km.

- In recognition of recent rising accommodation and meal costs, the overnight rate has been increased from €108.99 to €125, and the 5 hour rate from €13.71 to €14.01. (The 10 hour rate remains unchanged at €33.61.)
- These rates are to be reviewed in 2018 (at the earliest) with future increases/decreases only applying where +/- exceeds 5%. Elements of the CPI will be used to review the rates.

The agreed distance increases will result in a reduction in the number of instances of claims which in turn will offset the increase in the actual rates, with an estimated saving of €2m in a full year in the civil service and a possible €7m in a full year in the wider Public Service.

Agreement was also reached that the elements of the travel rates would be reviewed over the next 6 to 9 months, with third party assistance if required, to take account of improved car engineering and technology and improvements in the road infrastructure. The elements to be looked at would include the residual value of cars; insurance; diesel v petrol cars; fuel efficiency of modern cars etc.

The overall package represents a significant modernisation of the subsistence regime (and of travel once completed) to better reflect modern commuting patterns.

With regard to the wider Public Service it is intended to write to the Public Service Committee of ICTU informing them of the changes and advising them that the changes (or equivalent changes) will be applied to the wider

Public Service. It is understood that this approach has already been discussed at that level.

Approach to Negotiations

The Haddington Road Agreement [para 2.28] states that "The Parties note that the Government intends to review travel and subsistence arrangements. There will be full co-operation by the Parties with the review and the implementation of a standardised system of travel and subsistence across the Public Service."

It was agreed at the time that the best way to approach the review of the Travel and Subsistence arrangements as set out in the HRA would be to initially review Travel and Subsistence in the Civil Service and that once agreement was achieved here it would then be applied, (or its equivalent), across other parts of the Public Service.

Our opening position was that improved technology means cars are now more reliable and that modern infrastructure means some of the subsistence requirements and payments could be considered as outmoded. However given that Travel and Subsistence rates were cut unilaterally in 2009, we recognised that achieving further savings would be difficult.

Changes to the Civil Service Overnight Domestic Subsistence Rate

Subsistence is designed to cover the cost of accommodation and food (3 meals) While accommodation costs fell by about 25% (accommodation

element of the CPI) between 2008 and 2012 it has started to increase since by about 7% since 2012 to end February 2015 (CPI). Hotel.com estimated that there was an average 10% increase in hotel prices in 2014. There is little doubt that the cost of hotel rooms are increasing.

With effect from 1 July 2015, a night allowance will not generally be payable for an absence within 100 km of an officer's home or headquarters. However, in exceptional circumstances, such as extreme weather conditions which would raise Health and Safety concerns, a night allowance may be paid for an absence on duty at any place within the above distance limits but in excess of 50 km.

Arising from the negotiations it has been agreed that the Domestic Overnight Subsistence Rate will be increased from the current rate of €108.99 to €125.00 from 1 July 2015 (about a 15% increase). The proposed new overnight rate is still about 15% below the 2008 rate (i.e. €145.32).

The Class B rate will also no longer apply from 1 July 2015. The new Domestic Subsistence Rates are set out in appendix I.

The overnight rate will be reviewed annually from 2016 by using the "eating out" and "accommodation" elements of the Consumer Price Index (CPI).

Future adjustments will only be applied to the overnight rate where the annual increase/decrease exceeds 5% - where this adjustment does not

exceed 5% it is brought forward to the next review and added to the outcome of that review (i.e. cumulative).

The review period is 1 March to 31 March of the relevant year.

Changes to the Civil Service Day Subsistence Rates

With effect from 1 July 2015, a day allowance will not generally be payable for an absence within 8 km of an officer's home or headquarters. The 5 hour rate will be increased from €13.71 per day to €14.01 per day also from 1 July 2015.

There will be no further reviews of the Day Subsistence Rates until 2018. Thereafter the day rates would be reviewed using the "eating out" element of the Consumer Price Index and adjustments will only be applied where the annual increase/decrease exceeds 5% - where this does not exceed 5% it is brought forward to the next review and added to the outcome of that review (i.e. cumulative).

Savings

Following the 25% reduction in Travel and Subsistence rates in 2009, which it was estimated at the time would save about €45m in a full year, the Travel and Subsistence rates have not been amended but further efficiency savings have been made from reducing instances of travel.

It is estimated that the savings of the changes to the Subsistence regime in the civil service will amount to about €2m in a full year with a possible further €7m in a full year in the wider Public Service.

Critically, this agreement also embeds the 2009 reductions into the future.

It was always understood that any further re-alignment of the Travel and Subsistence rates would be difficult and bringing the matter to a third party unpredictable. In the circumstances it is felt that this is a good agreement as it embeds the 2009 reductions, and that increasing the overnight rates to be more reflective of modern commuting patterns will lead to further savings.

Review of Travel Rates

Both sides have agreed to continue meaningful negotiations on the review of the Travel rates. It is also agreed that the elements of the Travel rates would be reviewed over the 6 months following this agreement, with third party assistance if required, to take account of improved car engineering and technology and improvements in the road infrastructure. The elements to be looked at would include, but would not be exclusive, the residual value of cars; insurance; diesel v petrol cars; fuel efficiency of modern cars etc.

Applying Changes to the wider Public Service

As noted above the Public Services Committee of ICTU will be advised that it is planned to apply similar arrangements to the wider Public Service.

Those that have different subsistence regimes to the Civil Service would include the Gardaí, Defence Forces, Prison Officers (who all have similar regimes), Ministers and Civilian Drivers (24 km for an overnight); the Judiciary and Local Authority Councillors.

It would be difficult to defend having significantly different occupational regimes in place for different groups of Public Servants for largely historic reasons.

Members of the Judiciary and Local Authorities

We intend to write the Departments of Justice and of the Environment respectively to ask them to take account these changes when reviewing the travel arrangements for the judiciary and members of Local Authorities.

Oireachtas Members

In the case of Members of the Oireachtas their Travel and Accommodation regime was drawn up to reflect their constitutional obligations to attend Leinster House as well as their constituency obligations. Therefore it would not be intended that these changes would apply to Members of the Oireachtas, particularly since their Travel and Accommodation regime was cut by 10% (25% in the case of Dublin members) from 1 January 2013 and that the travel and subsistence elements of their arrangement also took account of the 2009 25% reductions.

Conclusion

With the reduction in Public Service numbers it is inevitable that there will be an increase in the requirement for travelling officers to travel greater distance as areas of responsibility have expanded. For this reason it is particularly important to recalibrate and modernise our travel and subsistence regime. This overall package represents a significant modernisation of the subsistence regime (and of travel once completed) to better reflect modern commuting patterns etc with the increase to 100km from 48km before an overnight can be claimed. It is recommended that you approve this package and its wider application throughout the public service.

It is now intended to write to the Departments/Minister with responsibility for various parts of the Public Service informing them of the agreement and asking them to apply the same to their Department and any bodies under their aegis. (In some sectors it may be necessary for operational reasons to achieve the equivalent effect to these measures by adapting them to local regimes.)

Appendix I

Domestic Subsistence rates from 1st July 2015

Overnight rates			Day Rates	

<i>Class of Allowances</i>	<i>Normal Rate</i>	<i>Reduced Rate</i>	<i>Detention Rate</i>	<i>10 hours or more</i>	<i>5 hours but less than 10 hours</i>
A Class	€125.00	€115.00	€62.50	€33.61	€14.01

Related Submissions

There are no related Submissions.

User Details

Users with access to Submission

David Denny
Sub_PER Ministers Office

Read receipt list

David Denny
Rónán O'Brien
Michelle O'Connor

Action Logs

Created: 16/04/2015 16:23:04: Submission created by David Denny

Sent to the Minister: 16/04/2015 16:34:16: Submission sent to Minister for Review by David Denny

Sent by email: 16/04/2015 16:35:11: Email sent by David Denny to Oonagh Buckley, Jake Byrne, Marie Ralph, Joe Madill,