



Ms Niamh Maguire
Committee Secretariat
Committee of Public Accounts
Leinster House
Dublin 2

13 November 2012

Dear Ms Maguire,

I refer to your letter of 30 October, 2012, which requested further information on a number of issues raised during the course of the Committee's examination of the Review of Common Civil Services Allowances.

The information requested in your letter in relation to (i) and (ii) is set out in Appendices 1 and 2 respectively.

With regard to (iii), this Department does not hold data on the number of allowances that were approved for new beneficiaries in different Departments/ Offices since the Public Service Agreement was signed in 2010. The Review sought to address outdated allowance-based pay structures across the public service and the information sought from Departments/ Offices was specific to this purpose and related to the calendar year 2011 only. The Review concluded that a more medium term review and restructuring of the pay arrangements for certain grades is merited (e.g. Services Officer). This further task is now underway.

The information requested in relation to (iv) and (v) is set out in Appendices 3 and 4 respectively.

Yours sincerely,

Robert Watt
Secretary General

Appendix 1

A note on the input that Oireachtas Members had in discussions with the Minister for Finance in relation to the development of the expenses and allowances system in recent years.

In early 2009 the Oireachtas Commission proposed a new system of expense allowances based, it is understood, on a report commissioned by them. Following subsequent contact, the Minister agreed to a composite single expenses allowance with reductions in foreign travel for committees, the number of pre-paid envelopes and a 10% reduction in the allowances then payable [25% in the case of mileage].

Following a meeting of officials in April with the Joint Administration Committee, the Minister met the Commission in June about advancing the new Oireachtas expense allowance regime.

The legislation to provide for a single composite allowance was introduced by the Ministers and passed by both Houses of the Oireachtas in July 2009

The Minister met the Oireachtas Commission again in October 2009 to discuss the design of the implementation of the new expenses scheme.

The new Parliamentary Standard Allowance was announced on 10 February 2010. In the Press Statement it stated that "A major reform of the system of expense allowances for members of the Houses of the Oireachtas was announced today. The reforms, proposed by the Oireachtas Commission and agreed by the Minister for Finance, have cross-Party support." A copy of the press release is attached.

The new Parliamentary Standard Allowance was introduced from 1 March 2010.

Additional contact may have been made with members about the new proposed system of Oireachtas expense allowances in other fora, for example Parliamentary Party meetings.



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The Department of Finance - Government Buildings



An Roinn Airgeadais
Department of Finance



Revised system of expense allowances for Members of the Houses of the Oireachtas

A major reform of the system of expense allowances for members of the Houses of the Oireachtas was announced today.

The reforms, proposed by the Oireachtas Commission and agreed by the Minister for Finance, have cross-Party support. They will substantially increase the transparency of the allowances system and provide information to members of the public on how their public representatives are funded.

The new system will replace 40 years of legislation with a single, transparent and verifiable parliamentary allowance system to cover the parliamentary and representation costs of Deputies, Senators and Ministers. This major reform is in addition to the substantial reductions imposed on Oireachtas members' expenses in 2009.

Reductions which have already been made to Oireachtas expenses include:

Mileage allowance reduced by 25%

Overnight Allowance reduced by 10%

Daily Travel Allowance reduced by 10%

Constituency Office Allowance reduced by 10%

Constituency Travel Allowance reduced by 10%

Miscellaneous Expense Allowance reduced by 10%

Telephone Allowance reduced by 10%

Committee Chairpersons allowance reduced by 50%

Committee Vice Chairpersons and whips allowance abolished

Chairpersons of Sub-Committees allowance abolished

Furthermore, Oireachtas members who are former office-holders have had their pensions reduced by 25% and from the start of the next Dáil and Seanad no serving member will be eligible to receive a ministerial pension. Members no longer qualify for long service increments and those currently in receipt of them will forfeit them from the start of the next Dáil and Seanad.

The new expenses system will replace a number of individual expenses by a Single Parliamentary Allowance which will have two strands as follows:

- A Travel and Accommodation allowance; and
- A Public Representation Allowance

Payments in respect of travel and accommodation will be set in bands based on travelling distance from Leinster House, verified by attendance recording and be subject to a minimum attendance requirement in Leinster House, which does not include the extensive constituency work of Members. The allowances are based on civil service rates for mileage and overnight costs.

Where a member exceeds the minimum unvouched amounts for the Public Representation Allowance, he or she will be required to vouch in full for the amount claimed and these claims will also be subject to random audit.

Payments made to members of the Oireachtas will be published on a monthly basis.

The Regulations to introduce the new system will be signed by the Minister to come into effect from 1 March 2010.

Details of the new system are in the appendix.

Appendix

Summary of the proposed new system of Expenses Allowances for members of the Oireachtas

There will be two strands to the Parliamentary Standard Allowance as follows:

- Travel and accommodation allowance and
- Public Representation Allowance.

1 Travel and Accommodation Allowance

This will be a single amount covering the costs of travel to/from Leinster House, overnights where applicable and, in the case of TDs, constituency travel. The proposed annual amounts will vary depending on the distance of a residence from Leinster House.

Amounts to be paid

In the case of TDs, the amounts range from €12,000 per annum for Dublin Deputies to €37,850 for those living 360 km or more from Leinster House. Senators will be paid a reduced amount as there are no payments for constituency travel. The amounts will vary from €7,000 pa for Dublin based Senators to €32,850 pa for those 360km or more from Leinster House.

Verification by attendance

Payment of this allowance will be verified by attendance at Leinster House including attendance at Committees. 80% of the requisite 150 days (i.e. 120 days) will be the requirement for full payment. Where attendance is below this, members will have to make a refund of 1% of the allowance payable for each day below 120. Exceptions will be made for absences due to matters such as sick leave and foreign travel that preclude attendance.

2 Public Representation Allowance

The purposes for which this allowance may be used will include expenses related to constituency offices, mobile phones, home telephones, newspaper advertising, distribution of leaflets, newsletters, costs of relevant conferences and other engagements related to duties as a public representative, hire of rooms, replacement of equipment and web hosting and design. Expenses related to constituency offices and equipment will not apply to Senators; they may claim for newspaper advertising, distribution of leaflets, newsletters, hire of rooms and conferences and other engagements related to their duties as a public representative.

Amounts to be paid.

TDs may receive an un-vouched amount of €15,000 per annum or a fully vouched amount up to €25,700 per annum. Senators will have an un-vouched amount of €9,250 per annum and a vouched amount of up to €15,000 per annum.

Ministers will receive an un-vouched amount of €12,000 per annum or a fully vouched amount up to €20,000 per annum.

The one-off grant towards the cost of setting up a constituency office (€8,000) will be retained in the new system. This is not payable to Senators.

Verification

If a Deputy claims more than €15,000 (€9,250 for Senators) the amount claimed must be fully vouched. The claim may be subject to audit

Audit

This applies to the Public Representation Allowance where a member claims above the unvouched limits. In these cases the member will be responsible for retaining all receipts and vouchers for inspection, if required. At least 10% of members may be audited each year.

Payment

The allowance will be paid monthly in arrears.

Provision of Pre-Paid Envelopes (Postal Facilities)

The limits for envelopes will be reduced from 1,750 to 1,500 in the case of TDs and to 1,000 in the case of Senators.

Secretarial Allowance

The existing options will continue to be available to members under this allowance, with the exception of the provision where Deputies can combine to employ a higher level staff member. The purposes for which the allowance may be used is being defined and will be confined to the purchase of secretarial assistance, public relations, information technology (but not web related) and training services from a person employed under a contract of service or the purchase of such services under a contract for service, including any applicable tax and social insurance costs.

Purchase of equipment or expenses for which the Public Representation Allowance is intended will not be allowable under the Secretarial Allowance.

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Appendix 2: Common Civil Service Allowances (categorised as requested)

The majority of the common civil service allowances are paid to services officers whose weekly wages vary from €398.74 to a maximum of €495.55. Over the years the basic pay rates of this grade have been supplemented by allowances payable for specific additional tasks. The Review concluded that a more medium term review and restructuring of the pay arrangements for this grade is merited and that review is now underway.

Allowances paid for performing supervisory duties or the duties of a higher grade

Allowance 1 below is paid to Services Officers for acting as Head Services Officer in the absence of that officer or for acting as deputy Head Services Officer where a Department is spread across a number of buildings. Allowance 2 is paid to Cleaners supervising the work of other cleaners. Allowance 3 is paid to Principal Officers filling Director posts. All three have been approved for payment to new beneficiaries.

1. Services Officer on Supervisory Duties
2. Cleaner on Supervisory Duties
3. Directors Allowance

Allowances paid for performing additional duties

Allowance 1 below is paid to Clerical Officers working in IT areas and the remainder are paid to Services Officers as previously discussed. Allowances 2-6 are currently subject to further examination under the review of pay arrangements for the services officer grade. Allowances 7 and 8 have been approved for payment to new beneficiaries.

1. CO Programmer Allowance
2. Paperkeeper
3. Driving Allowance
4. Franking Machine Allowance
5. Machine Duties Allowance
6. Switchboard Allowance
7. Keyholder Allowance
8. Forklift Allowance

The Private Secretary Allowance is paid for duties appropriate to post of Private Secretary to the Minister or Secretary General.

The Delegates (and Chairpersons) Allowance has now been abolished. It was paid to management grades, primarily Principal and Assistant Principal Officers, and Higher Executive Officers, for attendance at overseas meetings.

Expense allowances.

Allowance 1 below is paid to uniformed officers (service officers) in lieu of providing footwear and is paid on a biennial basis and vouched. Allowance 2 refers to the supply of Uniforms supplied to officers (since 1933). Allowance 3 is paid to uniformed officers (service officers) for a specified and vouched annual number of dry cleanings of

uniform. Allowance 4 is paid to officers where the OPW cannot provide an office and the officers provide office space in their own homes.

1. Footwear Allowance
2. Uniform Allowance
3. Uniform Cleaning Allowance
4. Office Accommodation Allowance

Unsocial hours/ on-call and call-out/ shift allowances

Allowance 1 below is paid to the nightwatchman grade and also to Services Officers on nightwatchman duties. This allowance was approved for payment to new beneficiaries. (2) refers to On-call and Call out allowances. There are various such allowances across the Civil Service. These are (i) only payable where there is a clear necessity, (ii) subject to a minimum of 12 call outs per annum and (iii) evidence of this minimum level of call out must be provided. Departments and Offices have been asked to review the structures and systems in place, including an examination of the grades and numbers assigned to on-call rosters, with a view to reducing the instance of payment of such allowances. (3) refers to Shift Allowances. Some Departments and Offices included returns in respect of standard overtime and unsocial hours premia payments, however standard rates for such payments did not form part of the review. The review focused primarily on duty based allowances in payment across the public service, in order to evaluate whether the underlying justification for such allowances still exists.

1. Unsocial Hours Watchmen
2. On-call and Call out allowances
3. Shift Allowances

Appendix 3: Background to the introduction of the Forklift Allowance

The Forklift Allowance was first introduced in the Stationery Office in 1958 on foot of a Staff Side Claim for such an allowance for packers and porters. It was paid for the operation and maintenance of a forklift which was a new and additional duty for the packer and porter grades. Considerable emphasis was placed on the skill required in operating and maintaining the machine and the resultant need for specific training in order to avoid accidents. It was considered that untrained or inexperienced operators could cause grave damage to themselves, other colleagues or property in the warehouse and that only trained operators should be assigned to such duties. The allowance was later extended to a number of other Departments/ Offices.

This Allowance was approved for payment to new beneficiaries. It is considered to be a necessary duty and one which requires both training and skill. There are very few forklift operators across the Civil Service (15 in 2011) so it would not be appropriate to provide such training to the entire grade and this allowance does not form part of the group of services officer allowances which are subject to further examination in relation to the revision of the pay structure for the services officer grade.

Weekly Rates (since Jan 2010)

€34.49 (modified) €36.29 (ppc)

No of Beneficiaries and Total Cost for 2011

15 beneficiaries Total cost in 2011: €16,785

Appendix 4: Common Additional Hours Allowances Table (breakdown by grade)

<u>*Saturday</u>	<u>*Sunday</u>	<u>*On Call</u>	<u>Call Out</u>	<u>*Shift</u>
<u>757 Recipients</u>	<u>458 Recipients</u>	<u>389 Recipients</u>	<u>88 Recipients</u>	<u>588 Recipients</u>
50 SVO	48 SVO	3 CO	68 EO	276 CO
371 CO	200 CO	1 SO	20 HEO	39 SO
31 SO	40 SO	113 EO		75 EO
231 EO	108 EO	59 HEO		10 HEO
66 HEO	55 HEO	3 AO		1 AP
5 AO	4 AO	2 AP		20 Civilian Drivers
3 Storemen	3 Storemen	4 PO		36 Meteorologist
		1 PO Higher		96 Meteorological Officer
		3 Research Officer		25 Senior Meteorological Officer
		1 Senior Officer		10 Principal Meteorological Officer
		153 Veterinary Inspector		
		33 Senior Veterinary Inspector		
		4 Harbour Masters		
		2 Engineer Officer Grade I		
		2 Engineer Officer Grade II		
		5 Aeronautical Officer		

SVO = Services Officer
SO = Staff Officer
HEO = Higher Executive Officer
AP = Assistant Principal

CO = Clerical Officer
EO = Executive Officer
AO = Administrative Officer
PO = Principal Officer

* Following the request for Departments to break down their common additional table by grade, it transpired that some Departments had submitted non civil servants in their original returns. We have removed this data from the above table. This accounts for the difference in recipient numbers between this table and the Common Additional Hours Allowances table previously submitted to the Committee.