

# SUPPORT SYSTEMS IN PLACE FOR COUNCILLORS

Supports for councillors will be reviewed to ensure that they're sustainable and appropriate into the future, John Paul Phelan TD, Minister for State for Local Government and Electoral Reform, told delegates at this year's AILG Conference, adding that his department is engaging with the AILG and the Department of Public Expenditure and Reform to take this matter forward.

**A** considerable amount of work has been carried out in my Department to address requirements of the Programme for Partnership Government (PPG) in relation to further local government reform.

In particular, the PPG envisages the submission of a report to Government and the Oireachtas on potential measures to boost local government leadership and accountability, and to ensure that local government funding, structures and responsibilities strengthen local democracy.

My department has been working on this report, and to date two local government papers have been submitted to the Government, dealing with (a) Municipal Governance, including the questions of local electoral areas and town status; (b) Local Authority Boundaries, where urban development crosses local authority boundaries.

It is envisaged that these papers will be submitted to the Oireachtas Joint Committee, along with further proposals on other local government issues identified in the PPG such as local authority functions, leadership, including directly-elected mayors and governance.



*Minister John Paul Phelan pictured with AILG President Cllr Damien Geoghegan, following his official opening of this year's AILG Conference at the Park Hotel Dungarvan on 12 April.*

## STRONGER MUNICIPAL DISTRICTS

The broad thrust of the proposals aims to strengthen the current municipal district system within local authorities and to address identified shortcomings. This would include concerns regarding possible loss of focus on key urban centres, and introducing arrangements to address cross-boundary issues by way of new joint structures to support forward planning, while safeguarding

existing county identity.

These proposals will form a substantial report, setting out a programme for the further development of the local government system. This work has been informed by input from a range of sources, such as survey results of councillors and chief executives, current developments in local government internationally and important developments domestically, notably the new National Planning Framework (Project Ireland 2040).

### CORK CITY BOUNDARY EXPANSION

An Expert Advisory Group, established to re-examine local government arrangements in Cork, reported in April 2017 that on balance an expanded city council area offered the best solution, particularly in terms of the structure of local government and a strong focus on the needs and demands of the metropolitan area.

An Implementation Oversight Group was established to provide a definitive boundary configuration and to oversee arrangements for the boundary alteration. The Oversight Group submitted a report in December 2018 outlining the proposed delineation of an extended boundary for Cork City.

The Government agreed the boundary proposals and gave approval to bring forward legislation to implement them. Drafting of the general scheme of the Bill is proceeding with a view to submitting it to Government to enable publication of the Bill in May as targeted in the Government legislation programme for Spring/Summer 2018.

This boundary alteration will involve the transfer of a significant amount of territory and in the region of 80,000 population from the jurisdiction of Cork County Council to that of Cork City Council. It is intended that the boundary alteration will be brought into effect to coincide with the next local elections in mid-2019.

### LOCCAL ELECTORAL AREAS

The Local Electoral Area Boundary Committees which are currently carrying out a review of local electoral areas generally have now been requested to review the electoral areas for Cork City and Cork County, based on the proposed new boundaries.

Their recommendations will be considered as the basis for the revision of local electoral areas for the local elections to be held in 2019. The Committees are to report to the Minister no later than 13 June.

The Cork boundary alteration will be one of the most significant in the history of the State and its implementation will have considerable organisational and other implications. This is, however, fully in line with ambitious plans in the National Planning Framework for Cork City which can and should grow by 40-50% in the two decades ahead and at a faster rate than our capital.

### FUNDING AND COMMERCIAL RATES

I am aware of the importance of commercial rates as a critical funding source for local authorities, providing approximately €1.5bn in current income in 2016 (34% of total current income). However, there is an issue with non-compliance with the charge, with national compliance averaging 84% in 2016, the latest year



*The Kilmacthomas Viaduct and the Waterford Suir Valley Heritage Railway are two of the many landmarks along the 46km Waterford Greenway, which serves to highlight the important economic role of local government in maximising the potential of tourism to the local economy.*



for which audited accounts are available.

Improving compliance with commercial rates is vital to ensure that local authorities can provide the services expected by businesses and householders. In 2016 the sector prepared a business case to be provided with stronger enforcement powers in the collection of these rates – similar to powers available to the Revenue Commissioners.

The business case was endorsed by a cross-sectoral Project Board, examining debt collection by the State more generally.

The achievement of increases in rates collection to targeted levels as outlined in the business case may be contingent on the

introduction of the proposed new enforcement powers for local authorities.

### RATE ALLEVIATION SCHEMES

In 2017 the Government approved the drafting of a Rates Bill. The proposed legislation addresses a number of important measures, including consolidating and modernising the legislation governing commercial rates, improving the collection powers of local authorities and introducing a mechanism to allow them to introduce targeted rates alleviation schemes.

Consolidating and simplifying the legislation governing commercial rates will provide for the more efficient and effective levying and collection of rates by local authorities. It will also make the legislation more easily understood by ratepayers.

The Bill is included in the Priority List of Legislation for publication Spring/Summer 2018. It is currently with the Attorney General's office for drafting, with a view to its introduction as soon as possible.

I welcome the recent progress by local authorities in improving their financial position. A significant number of authorities have reduced their cumulative revenue deficit, aggregate borrowing has been reduced and notable increases have been achieved in the collection of commercial rates.

### SUPPORTS FOR COUNCILLORS

The issue of supports for councillors and associated terms and conditions is one to which I have devoted much time and attention since taking up office last summer.

The matter has also been raised on a number of occasions by the members of Seanad Eireann, most recently on 29 March, and again on 24 April.

I have also introduced a number of improvements to the supports provided to councillors. On 10 November 2017 I co-signed amending regulations under Section 142 of the Local Government Act 2001, with Pascal Donohoe TD, Minister for Finance and Public Expenditure and Reform.

The regulations provided for two main changes to councillors' pay and conditions: first, a new Allowance worth €1,000 per annum for members of municipal districts and area committees and, second, a new vouched expenses allowance.

The new allowance for municipal district and area committee members – backdated to 1 July 2017 – is in recognition of the additional workload of councillors at sub-county level, in both city and county councils, following the 2014 reforms.

The intention of this allowance was that it would be available to all councillors in all councils meeting the criteria. While I am aware of delays in its introduction in some instances, it should at this stage be payable in all councils that have decided that this payment to councillors is appropriate.

### VOUCHED ALLOWANCE OPTION

The new optional vouched expenses allowance worth up to a maximum of €5,000 per annum is based on the Public Representation Allowance (or PRA) available to Oireachtas members. In January, I issued directions to the local authorities extending the categories of eligible expenditure for this new



*Eoghan Murphy TD Minister for Housing, Planning and Local Government, who attended his first AILG Conference Dinner pictured with Mrs Mary Pender and Cllr John Pender in the Park Hotel Dungarvan.*

allowance, which means that councillors, who have a similar constituency base to serve, can now claim for the same range of vouchable expenses as TDs.

The take-up by councillors of this new vouched allowance option has not so far been high. However, experience from the Oireachtas is that such a new allowance will take time for fuller acceptance and I believe it should be given that time.

Nonetheless, my Department will continue to monitor the allowance and introduce further improvements as deemed necessary to increase its effectiveness."

There have been improvements in recent months in the Representational Payment in line with the reversal of pay cuts under the FEMPI Acts, as well as further increases introduced and planned under the Public Service Stability Agreement 2018-2020.

However, I am also very aware of concerns expressed by



*AILG President Damien Geoghegan pictured with Councillors 'Cha' O'Neill and Mary Roche.*

councillors about changes introduced last year by the Minister for Public Expenditure and Reform to the system of civil service travel rates and bands that had been in place since January 1999.

These revised rates apply across the public sector and have also been applied to councillors' travel expenses. This alignment with civil service travel rates ensures that the payment of councillors' expenses remains compliant with Revenue rules.

### ANNUAL TRAVEL REMUNERATION

The new rates have had a mixed impact on councillors depending upon individual circumstances. Some councillors have benefitted while others have seen a reduction in their annual travel remuneration.

There has been a further impact on councillors as a result of the clarification issued by the Department of Public Expenditure and Reform in relation to the aggregation of travel distances when claiming expenses from one or more public bodies.

Given these factors, it is my belief that the complex means for calculating councillors' expense allowances would benefit from a more simplified approach. Supports for councillors will be reviewed to ensure that they are sustainable and appropriate into the

future.

My Department is engaging with relevant stakeholders, including the AILG and the Department of Public Expenditure and Reform, to take this matter forward.



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