



LG 08/2022

20 December 2022

Re: Local Representation Allowance and end of year requirements

Dear Chief Executive,

I am directed by the Minister on whom local government functions are conferred to notify you with regard to end of year requirements in relation to the Local Representation Allowance (LRA) for elected members of local authorities.

The LRA was introduced following a Government decision of 18 May 2021 to reform the remuneration and allowances payable to local authority elected members. The implementation of these proposals fulfilled a commitment in the Programme for Government to implement the Moorhead Review within 12 months.

The main reforms included an increase in salary type remuneration, with a link to a local authority pay grade, and the abolition of unvouched expenses. The LRA was introduced in place of the unvouched fixed rate allowance, providing for an overall increase in the maximum annual amount for a member's expenses on a vouched basis.

The statutory basis for the LRA is provided by Part 3 of the *Local Government (Expenses of Local Authority Members) Regulations 2021* (S.I. No. 313 of 2021), which are enclosed with this circular. Directions issued by the Minister under the 2021 Regulations further set out the requirements and procedures which apply in connection with the claiming of the LRA (the most recent being circular LG 05/2022 of 7 September 2022, Part 2, pages 7 to 10, and Appendix 2, pages 28-33).

Expenditure which may be claimed by a member under the LRA must be wholly and exclusively incurred in the performance of his or her duties as a member and must not include any personal element of expenditure.

The main provisions of the LRA and end of year requirements are as follows:

- A maximum amount of €5,160 per annum is payable to a member in respect of expenses under the LRA.
- A member is required to have attended a minimum of 50% of relevant local authority meetings (plenary, annual, budget, municipal district, SPC, etc) during 2022 to qualify for the full amount of the LRA. Attendances of less than 50% by a member shall result in the maximum amount of the LRA that can be claimed being reduced proportionately.



- A portion of the LRA, worth €80 per month or €960 per annum, is payable on an unvouched basis to allow for petty cash expenses.
- If a member has claimed in excess of €960 per annum then he or she must retain evidence in the form of bills, invoices, receipts, etc to show that the additional expenses (above €960) were incurred.
- A member who claimed the maximum amount of €5,160 under the LRA for 2022 and whom attended at least 50% of relevant meetings must therefore be able to demonstrate a minimum of €4,200 of relevant expenditure incurred during 2022.
- A member who claimed an amount under the LRA for 2022 against which evidence in the form of invoices or receipts must be shown must submit all relevant documentation for 2022 to his or her local authority **not later than 31 January 2023.**
- Local authorities shall retain all documentation submitted by members for a period of 5 years.
- Each member who is paid expenses under the LRA in 2022 is required, no later than 1 February 2023, to provide to his or her local authority a written certification of total expenditure incurred in 2022. A sample form of certification that may be used is enclosed with this circular.
- If a member has incurred less relevant expenditure by the end of 2022 than he or she received under the LRA during the year then he or she must refund the differential between the amount received and the actual expenditure incurred to his or her local authority or incur a reduction in expenses payments in 2023.

e.g. a member who claimed the maximum amount of €5,160 for 2022 but who incurred less expenses than expected during the year so only has €3,200 in relevant receipts or invoices will have received a €1,000 overpayment. (€5,160 - €960 petty cash - €3,200 vouched = €1,000).

- Where an overpayment has been made in 2022 a member may either:
 - (a) repay the amount of the overpayment to the local authority no later than 1 February 2023; or
 - (b) notify his or her local authority in writing no later than 1 February 2023 that he or she wishes to receive an equivalent reduction to 2023 LRA payments.
- Where a local authority becomes aware of an overpayment having been made to a member in 2022 and arrangements have not been made by the member by 1 February 2023 then the local authority shall issue a written notice to the member



that a reduction to subsequent LRA payments shall be applied until such time as the amount of the overpayment is accounted for and this reduction will commence one month after the issuing of the written notice.

- In cases where a reduction in LRA payments is applied then no further LRA expenses payments shall be made in 2023 until the member has submitted invoices/receipts to the amount of the overpayment. The maximum amount of the LRA that may be claimed by the member in 2023 shall also be reduced by the amount of the overpayment.

e.g. a member who received an overpayment of €1,000 for 2022 will be required to submit €1,000 of receipts/invoices in 2023 before LRA payments resume. The maximum LRA amount payable for 2023 will be reduced by €1,000 to €4,160 (of which €960 is payable on an unvouched basis to allow for petty cash expenses with the remaining €3,200 payable on a vouched basis requiring a further €3,200 of bills, invoices, receipts, etc, as evidence of expenditure).

- Members' expenditure under the LRA may be subject to audit by the Local Government Auditor as part of the annual audit process.

Local authorities are encouraged to be flexible provided that a member's requests are deemed to be reasonable and where an item of expenditure can reasonably be construed as coming under one of the fourteen categories of eligible expenditure set out in Appendix 2 of the main directions. In cases where it is unclear as to the purpose of a cost incurred that a member is seeking to offset against the LRA then a local authority may request that the member provides a written statement setting out (i) the reason or business case for the purchase, (ii) why the item is necessary for the member to carry out his or her duties and (iii) the category of eligible expenditure that the member is seeking to lodge the claim under.

A copy of this circular has been made available on eCirculars and you are asked to please ensure that it is circulated to each elected member of your local authority and relevant employees dealing with payments to members.

Any queries in relation to this circular may be directed to Jeanette Young at jeanette.young@housing.gov.ie, 01 888 2728, or to Gary Mc Guinn gary.mcguinn@housing.gov.ie, 01 888 2800.

Yours sincerely

A handwritten signature in blue ink that reads "Gary Mc Guinn".

Gary McGuinn
Assistant Principal Officer
Local Government Governance and Elected Members