

Ms Geraldine Tallon
Secretary General
Department of Environment, Heritage and Local Government
Custom House
Dublin 1

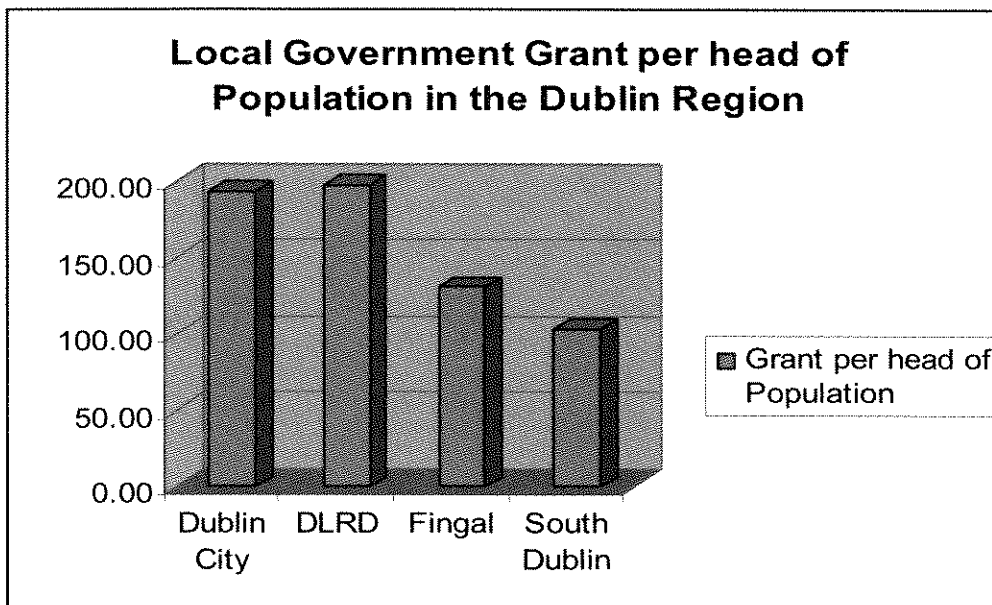
5th February 2009

Dear Geraldine

South Dublin County Council

I am writing to you in the context of the 2009 Budget which was approved by the members of South Dublin County Council on 27th November 2008. During the meeting the members raised concerns about the level of funding allocated to South Dublin from 2009 Local Government Fund in comparison with other local authorities and in particular from the point of view of the national average allocation per head of population.

The members noted that South Dublin has experienced significant recent growth in population and is the second largest provider of social housing nationally but that during 2009 it will receive the least support from the local government fund per head of population. The members are anxious to address this issue and have asked why the average allocation of €103 per resident of South Dublin represents less than half of the national average allocation of €217 per head of population and also considerably less than that of Fingal, Dun Laoghaire Rathdown and Dublin City Council?



Local Authority	LGF 2009 per head of pop.
South Dublin Co Co	€103
Dublin City Council	€193
Dun Laoghaire Rathdown	€198
Fingal Co Co	€131
Cork City	€223
Galway City	€126
Limerick City	€217
Waterford City	€182
Av per head of population	€217

The expansion of and improvements to services delivered by South Dublin has been largely financed from income generated from buoyancy in commercial rates in recent years. The members were seriously concerned therefore when the recent revaluation of South Dublin resulted in a loss of commercial rates income for the council. Income from commercial rates was reduced by €5.6M in 2008 due to the revaluation project with an additional deficit of €0.8M incurred in 2009 relating to tribunal decisions finalised in January. This deficit is also reflected in projected future incomes from commercial rates. Because the circumstances of the revaluation project were outside the control of the rating authority and the legislation governing the revaluation did not provide a mechanism to correct the deficit, South Dublin has had little option but to build this loss of income into future projections. An increase above inflation of the Annual Rate of Valuation (ARV) was discussed during the 2009 Budget process but members were concerned about the detrimental affect of such a proposal on the business community and adopted an ARV of 0.171; an increase less than inflation, of 3.5%. As part of this process the members also reviewed the local government fund allocation for 2009 and have now requested that the Minister address the inequity which has lead to the lowest allocation per head of population to South Dublin.

A comparison of local government fund and commercial rates income in the Dublin region further highlights the inconsistency of the current basis for allocation of the fund.

	Comm. Rates 2009	LGF 2009		Av./head of pop
		Total	pop.	
South Dublin Co Co	121,801,800	25,496,900	147,298,700	246,935
Dublin City Council	319,976,240	97,858,944	417,835,184	506,211
Fingal Co Co	128,157,700	31,389,100	159,546,800	239,992
Dun Laoghaire Rathdown	88,263,200	38,400,800	126,664,000	194,038

As a support for this review I also present a table highlighting the cost of essential services and community supports that should be supported from the current local government fund allocation of €25.5M:

<i>2009 net cost for the provision of:</i>	€'M
Domestic Water	30.6
Fire Service	18.3
Public Lighting	4.6
Recycling facilities	3.2
Libraries	9.2
Parks	14.9
Arts & Pools	1.5
	82.3

The unexpected loss of income arising from the Revaluation of the County combined with increasing financial demands from services has adversely affected the finances of South Dublin and will continue to do so in 2009. In order to address these concerns I have been asked by the Council members to request a review of the allocation of the local government fund to South Dublin and for an opportunity to meet with you to discuss these issues.

Yours sincerely



Joe Horan
County Manager