

MEETING OF SOUTH DUBLIN COUNTY COUNCIL

21ST SEPTEMBER 2015

Consideration of variation of the basic rate of the Local Property Tax

Introduction:

The Local Property Tax (LPT) became effective from 1 July 2013 and is an annual self-assessed tax which is applied to the market value of residential properties. The charge is administered by the Revenue Commissioners and the proceeds are accounted for as exchequer funding in the national Budget. An amount equivalent to annual LPT receipts are assigned to the Local Government Fund by the Minister for Finance and distributed to local authorities by the Minister for the Environment, Community and Local Government.

Role of elected members in relation to setting of local adjustment factor:

Section 20 of the Finance (Local Property Tax) Act 2012 (*as amended by Section 5 of the Finance (Local Property Tax) (Amendment) Act 2013*) provides each Local Authority with the power to vary the basic rate of the Local Property Tax within its administrative area (by a maximum of plus or minus 15% of the basic rate). Section 20 of the 2012 Act was commenced with effect from the 1st of July 2014 by the Finance (Local Property Tax) Act 2012 (Specified Date) Order 2012.

The Local Property Tax (Local Adjustment Factor) Regulations 2014 require that before determining whether or not to pass a resolution to vary the basic rate of local property tax, there are certain matters to which the local authority must have regard including:

- 1. Report on Income and Expenditure**
- 2. Financial position of the local authority**
- 3. Financial effect of variation**
- 4. Outcome of public consultation process**

Reports have been prepared for each of these headings.

It is important to note that the Members decision in this respect, applies for a period of one year from the next local property tax liability date. The 15% reduction to the basic rate of LPT, passed by the Members on 22nd September, 2014, applied for the period 1st November 2014 (liability date) to 31st October 2015. The rate reverts to the basic rate at the 1st November 2015, i.e. the preadjusted rate, and the Elected Members must now consider whether to reduce the basic rate, leave it unaltered or increase it, for 2016.

1. Report on Income and Expenditure:**1.1 Local Property Tax Income Allocation 2015:**

In 2015 80% of LPT income collected was retained locally with the remaining 20% paid into an equalisation fund to ensure no local authority was worse off from local retention of LPT in 2015 compared to General Purpose Grant allocations in 2014.

Of the 80% retained locally (€26.1m) an amount of €6.53m was allocated as additional discretionary funding with the proviso that the cost of any local variation of the basic rate of LPT must be funded from this element of the allocation. A decision was taken by the Council to reduce LPT by 15% at a special meeting of the Council held on 22nd September 2014. The cost of funding this reduction amounted to €4.9m thereby reducing the discretionary element of the allocation to €1.6m.

€0.9m was attributed in place of the 2014 Local Government fund/(GPG) allocation.

The remainder of the allocation amounting to €18.7m was assigned by the Department of the Environment Community and Local Government to self-fund some services in housing and roads.

Details of the 2015 LPT allocation are set out as follows:

Analysis of Local Property tax allocation 2015	
Local Property Tax allocation 100%	€32,653,416
Less : 20% Equalisation Fund	<u>€ 6,530,683</u>
LPT Retained Locally 80%	<u>€26,122,741</u>
Less : LPT surrendered via 15% variation	<u>€ 4,898,012</u>
Post variation allocation 2015	<u>€21,224,721</u>
Assigned to :	
Discretionary 2015 expenditure (Revenue Budget) *	€2,556,557
Local roads maintenance and improvement (Revenue Budget) **	€2,886,859
Housing Assoc./Vol. Body loan repayments (Revenue Budget) **	<u>€7,026,000</u>
<i>(Total assigned to Revenue Budget)</i>	<u>€12,469,436</u>
Housing Capital Projects (Capital) **	<u>€8,755,285</u>
Post variation allocation 2015	<u>€21,224,721</u>
*€923,906(GPG) + €1,632,671(Post variation discretionary income)	
**€18,668,144 self-funding allocation	

1.2 Local Property Tax Income Allocation 2016:

Department of the Environment Community and Local Government (DOECLG) circular Fin 07/2015 dated 3 September 2015 re-affirms the Government's intention that 80% of LPT income collected will be retained locally and the 20% balance will to be paid into an equalisation fund.

The Council's LPT allocation for 2016 is €24,510,397 representing 80% of the LPT income of €30,637,996 that it is anticipated will be collected in the South Dublin County administrative area in 2016. The DOECLG has advised that this income will be allocated as follows:

- (a) An amount equivalent to the 2014 Local Government Fund/GPG allocation of €923,906 is repeated in 2016 and will be funded from the 80% LPT allocation to South Dublin.
- (b) 20% of the 2016 LPT income collection amounting to €6,127,599 is provided for allocation at the discretion of the Council. The net proceeds from this allocation is available as discretionary income to fund enhanced or additional services, develop community facilities or to reduce commercial rates. This is the element of LPT income which will reduce or increase if the Council decide to vary the basic rate of the LPT for 2016.
- (c) The balance of € 17,458,892 will be allocated by the DOECLG to fund social housing and roads services.

Analysis of Local Property tax allocation 2016	
Local Government Fund allocation 2016	€923,906
Discretionary LPT income (20% of anticipated LPT income) 2016	€6,127,599
To self-fund Housing and Roads transportation services	€17,458,892
Total LPT allocation 2016	€24,510,397

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The following table sets out details of the Council's LPT allocation 2016.

South Dublin County Council LPT Allocation (Pending and decision to vary the basic rate)		
	2016	2015
Projected Gross LPT Income for County	€30,637,996	€32,653,416
Less amount allocated to Equalisation Fund – 20%	€6,127,599	€6,530,683
LPT retained locally – 80%	€24,510,397	€26,122,733
Allocated as follows:		
Replaces GPG Allocation 2014	€923,906	€923,906
Assigned for discretionary purposes - including variation of basic rate	€6,127,599	€6,530,683
Balance to self-fund Housing and Roads Services	€17,458,892	€18,668,144
LPT allocation	€24,510,397	€26,122,733
Cost of Variation if 15% reduction is applied	€4,595,699	€4,898,012
Discretionary alloc. if 15% reduction applied	€1,531,900*	€1,632,671

Note. The total LPT allocation to South Dublin for 2016 is lower than 2015. The 2015 allocation was based on an overall estimate nationally of €500m compared with €474m for 2016.

**Circular Fin 07/2015 – " the authority will be compensated up to €100,771 if the same adjustment factor (-15%) is applied for 2016 ensuring the authority is no worse off in its discretionary income compared to last year".*

1.3 Cost/Gain from varying the basic rate of the LPT:

The estimated LPT collection in the South Dublin County administrative area in 2016 is €30,637,996 and the cost of funding or gain from each 1% reduction/increase to the basic rate amounts to €306,380. This will result in a total funding requirement of €4,595,700 if a decision is taken to apply the maximum reduction of 15%.

Projected South Dublin Co. Co. LPT Income			2016
Cost or Gain from:			
1% Variation	€306,380	9% Variation	€2,757,420
2% Variation	€612,760	10% Variation	€3,063,800
3% Variation	€919,140	11% Variation	€3,370,180
4% Variation	€1,225,520	12% Variation	€3,676,560
5% Variation	€1,531,900	13% Variation	€3,982,940
6% Variation	€1,838,280	14% Variation	€4,289,320
7% Variation	€2,144,660	15% Variation	€4,595,700
8% Variation	€2,451,040		

A reduction to the basic rate of LPT will be funded through the discretionary element of the LPT allocation e.g. if the maximum reduction is applied, the discretionary element of the LPT funding will reduce from €6,127,599 to €1,531,900. Conversely an increase to the basic rate will be added to the discretionary element of LPT e.g. if the maximum increase is applied, the discretionary element of the LPT funding will increase to €10,723,300.

1.4 Preparation of Budget 2016:

The 2016 Budget will be prepared on a phased basis with input from the Corporate Policy Group, Members and Chief Executive at differing stages of the process. The Local Government (Financial and Audit Procedures) Regulations 2014 and its associated Circular Fin 05/2014 made provision for an outline budget strategy prepared in consultation with the CPG, and submitted to the DOECLG by 30th September.

The CPG discussed the 2016 Budget strategy and the variation of the Local Property Tax (LPT) on 6th July 2015 and confirmed the basic assumptions and the broad parameters for budget 2016. Following DOECLG clarification via Circular Fin 07/2015 regarding local retention of LPT and receipt of the details of the LPT Allocation 2016, the CPG met again on 14th September 2015 to review and agree an overview of Budget 2016. The strategic budgetary decisions were discussed on the basis of information known at the time of these meetings. Further details are awaited about the impact of the national budget on other aspects of the council's income and expenditure in 2016.

1.5 National Budget:

The Estimated Income and Expenditure for 2016 is based on an assumption that State grants and subsidies will be continued at 2015 levels adjusted by known activity changes in 2016 (e.g. rental accommodation scheme payments). An adjustment has also been made to account for the funding of some housing and road grants from LPT. It should be noted that adjustments could apply to schemes for which grants and subsidies are currently allocated to the Council as *"the detail of other grant funding to local authorities will be considered, as normal, as part of the national budget process."* Details of the National Budget 2016 will become available on 13th October 2015.

1.6 Key dates:

- The Revenue Commissioners and the Minister for Environment, Community and Local Government must be notified by **30 September 2015** if the council decides to vary the basic rate of the LPT for 2016.
- In addition a preliminary estimation of Revenue and Capital Income and Expenditure 2016 must be submitted to the DOECLG by **30 September 2015** to meet EU budgetary timelines.
- Consultation with the CPG about the parameters and content of the 2016 Budget will continue as will the group's input into the budget strategy in the coming weeks.
- The 2016 National Budget will be presented to Dáil Éireann on 13 October and this will be followed by commitments from the DOECLG and other funding bodies to contribute funds for specific operational and capital programmes.
- The 2016 Budget meeting must be scheduled within the prescribed period of 2nd to 27th November 2015. Once commenced the meeting can be adjourned for up to 14 days from the date of the initial meeting (hence Budget 2016 must be adopted by 10th December, 2015).
As the South Dublin meeting is scheduled for **Thursday 5th November 2015** the budget must be adopted by Wednesday 18th November 2015 at latest.

1.7 Basis of preparation of Report on Income and Expenditure:

As the timing of the preparation of this report predates both the national budget and the preparation of the Council's draft Budget 2016 the Report on Income and Expenditure (as per table below) is based on the current year's budget adjusted to take account of changes affecting Local Property Tax income and any other anticipated changes impacting grants, subsidies and activities.

Some preliminary work has also been carried out to project payroll and loan charges for 2016. This will continue for remaining expenditure and income provisions in the context of the budget strategy during the development of the draft budget in

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October 2015. This timing also allows for greater certainty in relation to anticipated changes in activity levels and other grant allocations.

The following table sets out the Estimation of Income and Expenditure and is prepared in accordance with the Format prescribed in Schedule 1 of the Local Property Tax (Local Adjustment Factor) Regulations 2014.

1.8 Estimation of 2016 Income and Expenditure of South Dublin County Council

	Budget 2015	Estimated 2016
<u>Income</u>	€	€
Commercial Rates *	123,006,600	118,192,800
LPT/LGF **	12,469,400	17,065,100
Grants & Subsidies	33,321,700	44,495,400
Other Income	<u>50,497,600</u>	<u>50,363,500</u>
Total Income	<u>219,295,300</u>	<u>230,116,800</u>
<u>Expenditure</u>		
Payroll Expenses	67,869,800	69,125,300
Loan interest & principal repaid	8,874,000	8,875,100
Social Benefits (transfer payments to households)	24,692,100	30,586,200
Capital grants paid	2,137,700	2,137,700
Other expenditure	<u>115,721,700</u>	<u>119,392,500</u>
Total Expenditure	<u>219,295,300</u>	<u>230,116,800</u>

The following assumptions have been made

*No change in ARV pending detailed consideration of draft budget. Reduction in income relates to exemption of Irish Water Rates.

**2016 LPT income is based on the 2015 revenue budget allocation with no reduction in the 2016 basic rate. Any decision to vary will be reflected in a corresponding reduction of Other Expenditure. Details of the actual revenue/capital split of LPT allocation for 2016 are not currently available. 2015 splits have been assumed for the purpose of this report.

2. Report on the Financial Position of South Dublin County Council

2.1 Report on the Financial Position of South Dublin County Council

The table below sets out the financial position of the Council in the format required in the Local Property Tax (Local Adjustment Factor) Regulations 2014 and is based on the financial position as at 30 June 2015.

Financial Position of South Dublin County Council	
	<i>at 30/6/2015</i>
ASSETS	
Current Assets	230,895,797
General revenue reserve	18,906,153
Loans receivable	172,120,179
LIABILITIES	
Current liabilities	123,641,629
General revenue reserve	
<i>Loans Payable</i>	
Voluntary housing/mortgage loans	168,013,679
Non mortgage loans	76,296,596
INDICATORS	
Ratio of loans payable to revenue income	111%
Ratio of current assets to current liabilities	1.9:1

2.2 Indicators:

Ratio of loans payable to revenue income: 111%

This ratio otherwise known as the gearing ratio reflects the Council's ability to repay its loans with its revenue income and falls within the recommended range.

Ratio of current assets to current liabilities: 1.9:1

This ratio otherwise known as the liquidity ratio reflects the Council's ability to pay its current liabilities and also falls within the recommended range.

Both indicators reflect that the Council's financial position is reasonably stable.

2.3 Current assets:

Current assets @ 30/6/2015	
	€'M
Trade debtors & prepayments(net of provisions)	108.5
Cash & Bank	113.8
Dev't Levies (net of provisions)	5.0
Due within 1 Year	3.5
Total	230.8

2.4 Current liabilities:

Current liabilities @ 30/6/2015	
	€'M
Creditors & Accruals	29.0
Comm. Rates (2 nd Moiety 2015)	61.5
Deferred income	9.4
Due within 1 Year	23.7
Total	123.6

2.5 General Revenue Reserve:

The general revenue reserve reflects the cumulative revenue account surplus or deficit. South Dublin is presently in surplus from Revenue Account operations over an extended period of time. A deficit on the revenue account balance would indicate that the council had incurred more expenditure than income earned over a previous period - if a deficit is not addressed the council would ultimately encounter cashflow problems which would hinder future operations.

The council has a general reserve of €18.9M at 30th June 2015 which includes a €6.9M surplus for the period to 30th June 2015 plus the revenue reserve of €12M reported in the balance sheet to 31st December 2014. The surplus to 30th June 2015 does not take account of the seasonal nature of operations and services and is not reflective of the likely year end outturn.

Since 2009, in common with all local authorities, the Council has been subject to the provisions of Circular Fin 03/2009 Control and Monitoring of Local Authority Contribution to General Government Balance. This circular requires local authorities to keep their capital, revenue and bank accounts in balance each year and as a result revenue and capital expenditure can only be incurred by local authorities in any financial year to the extent that corresponding income is received.

3. Impact of variation of Basic Rate of LPT:

Section 17 of the Finance (Local Property Tax) Act 2012 provides for the calculation of the Local Property Tax charge for liable properties. The charge is calculated by multiplying the mid-point of the valuation band that the property falls into by the basic rate.

Local Property Tax = Mid-point of valuation band multiplied by basic rate	
Current Rate of LPT	LPT Rate Varied by -15%
House valued at €180,000 Band €150,000 - €200,000 Midpoint = €175,000	House valued at €180,000 Band €150,000 - €200,000 Midpoint = €175,000
€175,000 * 0.18% = €315	€175,000 * 0.153% = €267.75
Savings for category €150,001/€200,000= €47.25	

Economic impact of a 5%, 10% or 15% LPT reduction for the property owner

				LPT if reduced by:		LPT if reduced by:		LPT if reduced by:	
				-5%	-5%	-10%	-10%	-15%	-15%
				Savings Per House		Savings Per House		Savings Per House	
LPT Valuation Band	Mid point	0.18% LPT		0.171%		0.162%		0.153%	
€0	€100,000	€50,000	€90	€85	-€5	€81	-€9	€77	-€14
€100,001	€150,000	€125,000	€225	€214	-€11	€203	-€23	€191	-€34
€150,001	€200,000	€175,000	€315	€299	-€16	€284	-€32	€268	-€47
€200,001	€250,000	€225,000	€405	€385	-€20	€365	-€41	€344	-€61
€250,001	€300,000	€275,000	€495	€470	-€25	€446	-€50	€421	-€74
€300,001	€350,000	€325,000	€585	€556	-€29	€527	-€59	€497	-€88
€350,001	€400,000	€375,000	€675	€641	-€34	€608	-€68	€574	-€101
€400,001	€450,000	€425,000	€765	€727	-€38	€689	-€77	€650	-€115
€450,001	€500,000	€475,000	€855	€812	-€43	€770	-€86	€727	-€128
€500,001	€550,000	€525,000	€945	€898	-€47	€851	-€95	€803	-€142
€550,001	€600,000	€575,000	€1,035	€983	-€52	€932	-€104	€880	-€155
€600,001	€650,000	€625,000	€1,125	€1,069	-€56	€1,013	-€113	€956	-€169
€650,001	€700,000	€675,000	€1,215	€1,154	-€61	€1,094	-€122	€1,033	-€182
€700,001	€750,000	€725,000	€1,305	€1,240	-€65	€1,175	-€131	€1,109	-€196
€750,001	€800,000	€775,000	€1,395	€1,325	-€70	€1,256	-€140	€1,186	-€209
€800,001	€850,000	€825,000	€1,485	€1,411	-€74	€1,337	-€149	€1,262	-€223
€850,001	€900,000	€875,000	€1,575	€1,496	-€79	€1,418	-€158	€1,339	-€236
€900,001	€950,000	€925,000	€1,665	€1,582	-€83	€1,499	-€167	€1,415	-€250
€950,001	€1,000,000	€975,000	€1,755	€1,667	-€88	€1,580	-€176	€1,492	-€263
Note:									
Properties with valuations in excess of €1M are charged at a property tax rate of 0.18% for the first €1,000,000 (using €975,000 as the midpoint) and at a property tax rate of 0.25% for the balance in excess of €1M									

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The following information was provided by the Revenue Commissioners in relation to property valuation bands in the South Dublin administrative area (Fin 06/2015). It is based on property values at the 1 May 2013 valuation date together with returns filed to date. It indicates that 52% of properties registered to the South Dublin administrative are in valuation bands less than €200,000. In 2015 liable persons on average would have paid €267.75 based on the 15% reduction applied (i.e. an annual reduction of €47.25).

LPT 2015 Valuation Bands	€0 to €100,000	€100,001 to €150,000	€150,001 to €200,000	Over €200,000
South Dublin County Council	7%	18%	27%	48%

Economic impact on South Dublin if the 2016 LPT is varied :

	South Dublin County Council	Discretionary LPT Allocation 2016
Local Property Tax 2016	€30,637,996	
80% of LPT Retained	€24,510,397	
Assigned in lieu of State funding for Housing & Roads Services	-€17,458,892	
GPG allocation 2014	-€923,906	
Available for local activities & projects if no change to the local property tax for 2016	€6,127,599	€6,127,599
5% reduction : Projected cost of a -5% local adjustment factor in 2016	-€1,531,900	€4,595,699
10% reduction : Projected cost of a -10% local adjustment factor in 2016	-€3,063,800	€3,063,799
15% reduction : Projected cost of a -15% local adjustment factor in 2016	-€4,595,700	€1,531,899
5% increase : Projected additional income from a +5% local adjustment factor in 2016	€1,531,900	€7,659,499
10% increase : Projected additional income from a +10% local adjustment factor in 2016	€3,063,800	€9,191,399
15% increase : Projected additional income from a +15% local adjustment factor in 2016	€4,595,700	€10,723,299

A reduction to the basic rate of LPT must be funded from the discretionary element of the LPT allocation. The discretionary element of LPT allocated to South Dublin County Council for 2016 will reduce from €6,127,599 to €1,531,899 if the maximum reduction is applied.

4. Report on Outcome of Public Consultation Process

The Local Property Tax (Local Adjustment Factor) Regulations 2014 made provision for a minimum consultation period of 30 days by a local authority with the public in its administrative area. The consultation process was initiated to facilitate members of the public make known their views about the potential impact of varying the LPT on individuals, businesses and local authority services.

This Council commenced the public consultation process on the 9th July 2015 by the placing of a notice in the local and national newspapers and on the Council's website inviting submissions from the public with a closing date of 13th of August, 2015 for receipt of submissions.

An online submissions facility was provided on the Council's website, and alerts were posted on Twitter and Facebook.

A copy of the notice published is set out below:

NOTICE OF CONSIDERATION OF SETTING A LOCAL ADJUSTMENT FACTOR

The Finance (Local Property Tax) Act 2012 (as amended), makes specific provision that elected members of a local authority may pass a formal resolution to vary the basic rate of the Local Property Tax for their administrative area by a percentage known as the local adjustment factor. At the meeting set by South Dublin County Council to consider this matter, the members may set a local adjustment factor within the range of +/- 15% of the basic rate, or, may decide not to adjust the basic rate.

South Dublin County Council will meet in September 2015 to consider the setting of a local adjustment factor.

South Dublin County Council welcomes written submissions from the public on this matter specifically covering the potential effects of varying the basic rate of the Local Property Tax on businesses, individuals and on local authority services.

Submissions must be received by 13th August 2015 and be sent to:

LPT, Finance Department, South Dublin County Council, County Hall, Tallaght, Dublin 24
or
LPT@Sdublincoco.ie

Signed: Daniel McLoughlin

Chief Executive

Dated: 9th July 2015

For further information go to www.sdcc.ie

Submissions:

A total of 4 submissions were received by the closing date.

The submissions are summarised as follows:

Ref	Received	method	Location	Submission
LPT01	09/07/2015	Online	Unknown	Reduction
LPT02	14/07/2015	Email	Unknown	Reduction
LPT03	15/07/2015	Email	Lucan	Inconclusive
LPT04	05/08/2015	Hardcopy	Lucan	Reduction

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The full text of the submission is shown below:

Ref	Received	Method	Submission	Location	Full Submission
LPT01	09/07/2015	Online	reduction	Unknown	I pay enough tax on my wages and VAT on all purchases so I want a reduction on my property tax.
LPT02	14/07/2015	email	reduction	Unknown	Just reduce it, I havnt had a raise in 8 years for god sake
LPT03	15/07/2015	email		Lucan	Hi, We are currently paying management fees to our property management company just to manage our front garden, roads etc We now have to pay LPT on top of that, there is no park in the paddocks adamstown lucan. half of the road is not built. it is quite frustrating to 2 fees now for no reason. SDCC will take over soon we need to stop double paying management company\ LPT. Regards
LPT04	05/08/2015	hardcopy	reduction	Lucan	Dear Sir, Please find enclosed my submission with respect to Property Tax for 2016. I would strongly prefer a frozen position at the current amount and no increase for a few years to allow us all a small amount of financial breathing space and stability. The general cost of committed essential outgoings such as (property tax, utility bills, food, cost of schooling, child care, essential home upkeep and maintenance, car tax and insurance etc etc) is outstripping the free money that would normally be available for casual spending. This is very evident by the progressive closure of small businesses and shops that one sees boarded up in towns and many high streets (Pat the Baker's, and Clery's to name but a few), while the footfall in shopping centres and main streets appears to be plentiful there are more people just looking than actually buying. If come a change of government in 2016 and the move to the much talked about "Nordic model" of taxation which is a much much higher rated taxing system and also the introduction of compulsory "universal health insurance" at the debated cost of €160 per person per month and we will all be then well and truly financially crucified. I fear that Ireland is very fast becoming a country that will be too expensive to live in and the people that can and young people that have yet to put down roots will start to leave and choose to live abroad in a more affordable environment. I hope you accept my submission and can understand my concerns. I thank you for taking the time to read this enclosure and look forward to your resulting decision. I remain yours sincerely,

This report is submitted for consideration by the Members in accordance with Section 20 of the Finance (Local Property) Tax Act 2012 and Paragraph 8, Part 4, of the Local property Tax (Local Adjustment Factor) Regulations 2014 Under Section 21 of the Act a Local Authority that has varied the basic rate of the LPT must inform the Revenue Commissioners of that decision not later than the 30th of September in the year prior to which the LPT variation takes effect & Article 9, Part 5, of the Local Property Tax (Local Adjustment Factor) Regulations 2014 requires that notification of a variation must also be received by the Minister For

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Environment Community & Local Government not later than that date. To comply with those requirements the adoption of the resolution by a Local Authority varying the basic rate of the LPT must be made prior to that date of 30th September.

As provided for in Article 8 of the Local Property Tax (Local Adjustment Factor) Regulations 2014 the varied rate of Local Property Tax applies for a period of year from the next local property tax liability date i.e. from 1/11/2015 to 31/10/2016 after which time the rate of LPT reverts back to the initial (basic) rate as defined in the 2012 Act.

A copy of Circular Fin 07/2015 is attached setting out the LPT allocation for SDCC. The allocation ensures parity with the 2015 funding position. In considering the determination of the Local Adjustment Factor members are asked to consider the contents of this report, including the public submission, together with the need to retain and expand current levels of Service. While parity with the 2015 position suggests parity of service, this does not take account of increased costs in payroll, insurance, materials and general inflation.

It must also be borne in mind that any LPT reduction will take from this Council's capacity to respond to ever increasing demands for increased service levels to existing and new services. A full reduction of 15% reduces this response capacity by €4.6m.

Daniel McLoughlin
Chief Executive
17/9/2015