



An Roinn Tithíochta, Pleanála,
Pobail agus Rialtais Áitiúil
Department of Housing, Planning,
Community and Local Government



21 July 2017

Circular Fin 05/2017

Chief Executive

cc. Head of Finance

**Provisional Local Property Tax Allocations 2018 – South Dublin County
Council**

A Chara,

I am directed by the Minister for Housing, Planning, Community and Local Government to inform you that the provisional Local Property Tax (LPT) allocations from the Local Government Fund for 2018 have been agreed and your authority's allocation is set out below and in Appendix A to this document. LPT Allocations have been calculated using the Revenue Commissioners' data on net declared liabilities of €459m post-variation in 2017 (as set out in Appendix B to this document). On a pre-variation basis, the full 2017 net declared liability amounts to €486m and this is the estimate applied to the provisional LPT allocations process for 2018.

Local Retention of LPT

A new funding model, based on local retention of LPT, was first introduced in 2015. It aims to benefit local ownership and financial autonomy, achieve improved outcomes and greater engagement between local electors and their local authorities. It is also recognised that local authorities' cost and income bases vary significantly from one another. The ability to raise additional revenue varies considerably among local authorities and some require extra financial support in order to meet the costs of service delivery.

2018 Baseline

Every local authority is entitled to receive a minimum amount of funding under the LPT allocation process, known as the Baseline. 2018 Baselines are unchanged from 2017 and are linked to funding previously received as a General Purposes Grant in 2014. Baselines were adjusted in 2017 to deal with an administrative change to the treatment of the Pension Related Deductions (PRD) in the local government sector.

South Dublin County Council's Baseline is € 3,856,262.

Equalisation

The local retention mechanism will continue in 2018. 80% of all LPT receipts will be retained within the local authority area where the Tax is raised. The remaining 20% of the Tax collected nationally will be re-distributed on an equalised basis to local authorities, within the context of the annual allocations of LPT, to ensure that all authorities receive, at a minimum, an amount equivalent to their Baseline. This 20% for equalisation will be based on the total expected level of LPT in each local authority area and will not be adjusted if the basic rate of LPT is varied. Based on its surplus position when expected 2018 LPT receipts are compared to the 2018 Baseline, South Dublin County Council will not be in receipt of equalisation funding in 2018.

Self-Funding

Some local authorities will receive greater levels of funding in 2018 from the Local Government Fund as a result of local retention of LPT compared to their Baseline. Local authorities will have the surplus allocated in two ways:

- Part of the surplus up to the equivalent of 20% of total expected LPT income (or the full amount of the surplus if that is less than 20%) can be used as additional income by local authorities for the authority's own use as part of their normal budgetary process; and
- The remainder of the surplus, if any, will then be available to the local authority to fund services in the housing and/or roads areas thereby replacing Central Government funding for some of these services. Authorities are expected to continue providing such services regardless of the changed approach to funding.

Based on its surplus position when expected 2018 LPT receipts are compared to the 2018 Baseline, South Dublin County Council will be required to self-fund services in the Housing and Roads areas.

The specific detail of the level of Central Government Voted grants funding to be provided to local authorities is a matter that will be considered, as normal, as part of the Estimates process.

Provisional LPT allocation to South Dublin County Council in 2018

The LPT allocation for South Dublin County Council for 2018 (**pending any decision to locally vary the basic rate**) is **€ 25,207,473**. As a local authority that will be in receipt of 2018 LPT income in excess of the Baseline, South Dublin County Council will be entitled to retain an amount of this surplus funding equivalent to 20% of the total expected LPT yield or € 6,301,868 for its own use, e.g. to fund additional budget items, reduce borrowing, etc. South Dublin County Council will be required to use the remainder of the surplus to self-fund some specified services in Housing and Roads areas to the value of € 15,049,342. Details of the self-funding breakdown between Housing and Roads, capital and revenue will issue in a separate circular.

Please refer to the table in **Appendix A**, which sets out the basis for the allocation.

Variation

Every local authority has the power, from 1 July 2014, to vary the basic rate of LPT by up to 15%. It should be noted that if South Dublin County Council decides to vary the LPT basic rate upwards (by up to 15%) in 2018, it will retain 100% of the resultant additional income collected in the local authority area. Similarly, if South Dublin County Council decides to vary the LPT basic rate downwards (by up to 15%) in 2018, the resultant loss in LPT income will be reflected in reduced LPT funding to the authority.

Local authorities are further reminded of their statutory obligations as set out in the Local Property Tax (Local Adjustment Factor) Regulations 2014 (S.I. Nos. 296 & 439/2014) which take account of relevant provisions in the Finance (Local Property Tax) Acts. Previous guidance circular Fin 08/2014 also refers.

2017 LPT Statistics and Property Valuation Bands

2017 LPT Preliminary Statistics and Property Valuation Bands were provided to this Department by the Revenue Commissioners as at June 2017. This information is being provided for statistical purposes only to assist in the consideration of the local adjustment factor for 2018 LPT.

LPT statistics set out in **Appendix B** to this document outline the following:

- 2017 LPT Exempt (additional to declared liabilities)
- 2017 LPT Amounts Declared

- 2017 LPT Amounts Deferred
- 2017 Net LPT Position

The projected amounts for 2017 LPT reflect any local decision to lower/increase the basic rate by the local adjustment factor in 2017, i.e. data provided is post-variation.

This is of course subject to normal fluctuations that may be caused by transfers in property ownership and the on-going compliance campaign in operation by the Revenue Commissioners.

In accordance with section 152 of the Finance (Local Property Tax) Act 2012, the Department also requested information in relation to property valuation bands for each local authority area from the Revenue Commissioners as set out in **Appendix C** to this document.

Local Authorities will be advised of any further information once it becomes available.

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Lorraine O'Donoghue

Principal

Local Government Finance

Appendix A

South Dublin County Council - 2018 LPT Allocation (Pending any decision to vary the basic rate)

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LPT 100%	<u>31,509,341</u>
LPT 20% towards Equalisation funding	<u>6,301,868</u>
LPT Retained Locally (80%)	25,207,473
2018 Baseline	<u>3,856,262</u>
2018 Surplus (LPT Retained Locally – 2018 Baseline)	<u>21,351,210</u>
Amount of Surplus to be retained for authority's own use (20% of basic rate of LPT income)	6,301,868
Balance of Surplus to Self-Fund Housing and Roads Services	<u>15,049,342</u>
	<u>21,351,210</u>
Total LPT Funding to be provided in 2018	<u>25,207,473</u>
Value of potential increase or decrease in 2018 LPT Allocation <u>for every 1%</u> of variation implemented	+/- 315,093

Appendix B – 2017 LPT Preliminary Statistics, post application of the 2017 Local Adjustment Factor (as of June 2017) Revenue Commissioners

Local Authority	LPT 2017 Exempt	LPT 2017 Declared	LPT 2017 Deferred	Net LPT 2017 Post Variation
Carlow County Council	€119,245	€4,083,164	€112,978	€3,970,186
Cavan County Council	€139,670	€4,556,160	€131,670	€4,424,490
Clare County Council	€220,275	€10,300,577	€221,153	€10,079,424
Cork City Council	€341,056	€11,303,807	€243,225	€11,060,582
Cork County Council	€1,120,386	€41,618,610	€776,104	€40,842,506
Donegal County Council	€243,557	€11,285,742	€371,025	€10,914,717
Dublin City Council	€2,189,560	€69,269,492	€1,448,351	€67,821,141
Dún Laoghaire-Rathdown CC	€1,281,941	€44,798,840	€747,976	€44,050,864
Fingal County Council	€849,269	€33,193,024	€705,349	€32,487,675
Galway City Council	€163,635	€8,291,793	€130,613	€8,161,180
Galway County Council	€403,347	€16,374,528	€348,204	€16,026,324
Kerry County Council	€362,630	€14,364,106	€282,173	€14,081,933
Kildare County Council	€529,462	€22,115,352	€496,125	€21,619,227
Kilkenny County Council	€219,730	€7,610,845	€161,910	€7,448,935
Laois County Council	€123,670	€5,067,205	€138,983	€4,928,222
Leitrim County Council	€83,115	€2,177,163	€48,713	€2,128,450
Limerick City and County Council	€466,607	€17,658,270	€403,698	€17,254,572
Longford County Council	€80,787	€2,108,904	€60,497	€2,048,407
Louth County Council	€234,310	€9,821,907	€308,768	€9,513,139
Mayo County Council	€230,760	€10,620,592	€216,135	€10,404,457
Meath County Council	€394,295	€17,984,767	€495,000	€17,489,767
Monaghan County Council	€93,853	€3,915,502	€109,238	€3,806,264
Offaly County Council	€334,035	€5,070,735	€152,775	€4,917,960
Roscommon County Council	€112,230	€4,078,275	€91,395	€3,986,880
Sligo County Council	€126,585	€5,346,974	€102,240	€5,244,734
South Dublin County Council	€187,535	€27,481,104	€698,164	€26,782,940
Tipperary County Council	€604,721	€12,116,326	€287,222	€11,829,104
Waterford City and County Council	€273,586	€9,540,194	€238,388	€9,301,806
Westmeath County Council	€157,674	€6,542,435	€151,470	€6,390,965
Wexford County Council	€318,496	€13,173,012	€378,579	€12,794,433
Wicklow County Council	€447,433	€17,538,980	€417,043	€17,121,937
Totals	€12,453,455	€469,408,377	€10,475,156	€458,933,221

Note 1: This analysis is preliminary; there is a small element of estimation in regard to the distribution of amounts by Local Authority.

Note 2: The LPT Declared amount includes declared amounts from returns filed to date, deferred amounts and amounts due on foot of instructions sent to employers and pension providers to collect LPT by way of mandatory deduction at source. This is based on the information available to Revenue provided from the tax returns of property owners. Where this information is incomplete, it may not reflect the final position achieved in 2017.

Note 3: The figures include LPT amounts for properties owned by Local Authorities and Approved Housing Bodies.

Note 4: The exemption amounts set out above are based on claims made and will be subject to certain verification checks. In addition, the full effects of exemptions are not reflected in the statistics as where an exemption was claimed, the property owner was not always required to value their property.

Appendix C – LPT Valuation Bands (as of June 2017) Revenue Commissioners

LPT 2017 Valuation Bands	0-100,000	100,001-150,000	150,001-200,000	200,001-250,000	250,001-300,000	Over 300,000
Carlow County Council	38.7%	36.7%	18.6%	3.7%	1.2%	1.2%
Cavan County Council	51.8%	38.2%	7.4%	1.7%	0.5%	0.5%
Clare County Council	37.3%	35.2%	18.8%	5.4%	1.9%	1.5%
Cork City Council	27.2%	29.4%	21.7%	12.5%	3.9%	5.1%
Cork County Council	22.8%	26.2%	29.3%	12.5%	4.6%	4.6%
Donegal County Council	50.6%	38.5%	7.5%	2.1%	0.7%	0.6%
Dublin City Council	11.6%	20.4%	20.7%	17.9%	9.7%	19.8%
Dún Laoghaire-Rathdown CC	1.3%	3.3%	11.0%	13.1%	12.1%	59.1%
Fingal County Council	7.0%	18.6%	23.9%	17.6%	11.4%	21.6%
Galway City Council	19.4%	30.2%	27.4%	11.8%	4.7%	6.5%
Galway County Council	34.9%	32.3%	22.8%	5.6%	2.1%	2.3%
Kerry County Council	31.6%	32.4%	26.5%	5.7%	2.0%	1.7%
Kildare County Council	16.0%	22.1%	30.0%	18.3%	6.7%	6.8%
Kilkenny County Council	30.7%	34.5%	24.3%	6.0%	2.0%	2.5%
Laois County Council	41.8%	41.3%	11.7%	3.0%	1.0%	1.0%
Leitrim County Council	60.6%	33.7%	4.2%	1.0%	0.2%	0.3%
Limerick City & County Council	34.0%	31.7%	22.5%	6.8%	2.7%	2.3%
Longford County Council	59.8%	33.8%	4.8%	1.0%	0.3%	0.2%
Louth County Council	34.7%	29.4%	24.0%	7.2%	2.5%	2.2%
Mayo County Council	42.6%	38.8%	14.0%	2.6%	1.0%	1.0%
Meath County Council	17.9%	28.0%	28.4%	14.3%	5.8%	5.5%
Monaghan County Council	41.4%	42.0%	12.8%	2.4%	0.8%	0.6%
Offaly County Council	40.9%	35.8%	18.2%	3.1%	1.0%	1.1%
Roscommon County Council	56.6%	34.7%	6.3%	1.4%	0.4%	0.6%
Sligo County Council	43.9%	31.8%	16.5%	4.6%	1.5%	1.6%
South Dublin County Council	7.3%	17.7%	26.3%	19.1%	10.3%	19.3%
Tipperary County Council	38.2%	34.7%	19.7%	4.6%	1.6%	1.2%
Waterford City & County Council	37.8%	30.1%	21.3%	5.9%	2.5%	2.4%
Westmeath County Council	38.9%	36.8%	17.7%	4.0%	1.4%	1.3%
Wexford County Council	34.3%	34.9%	23.3%	4.4%	1.6%	1.5%
Wicklow County Council	12.4%	17.9%	26.6%	18.4%	9.7%	15.0%

Note 1: The data provided represents valuation bands based on property values as at the 1 May 2013 valuation date.

Note 2: Any differences in the percentages are due to rounding.

Note 3: The figures are based on preliminary analysis of returns filed and other Local Property Tax related information; of necessity, a certain amount of estimation has been required.