



19 July 2018

Circular Fin 04/2018

Chief Executive

cc. Head of Finance

Provisional Local Property Tax Allocations 2019 – South Dublin County Council

A Chara,

I am directed by the Minister for Housing, Planning, and Local Government to inform you that the provisional Local Property Tax (LPT) allocations from the Local Government Fund for 2019 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 €464m post-variation in 2018 (as set out in **Appendix B** to this document). On a pre-variation basis, the full 2018 net declared liability amounts to €487m and this is the estimate applied to the provisional LPT allocations process for 2019.

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.

2019 Baseline

Every local authority is entitled to receive a minimum amount of funding under the LPT allocation process, known as the Baseline. 2019 Baselines are unchanged from 2018. South Dublin County Council's Baseline is €3,856,262.

Equalisation

The local retention mechanism will continue in 2019. 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 2019 LPT receipts are compared to the 2019 Baseline, South Dublin County Council will not be in receipt of equalisation funding in 2019.

Self-Funding

Some local authorities will receive greater levels of funding in 2019 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 2019 LPT receipts are compared to the 2019 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 2019

The LPT allocation for South Dublin County Council for 2019 (**pending any decision to locally vary the basic rate**) is **€25,289,144**. As a local authority that will be in receipt of 2019 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 €6,322,286 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 €15,110,596. 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 2019, 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 2019, 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.

2018 LPT Statistics and Property Valuation Bands

2018 LPT Preliminary Statistics and Property Valuation Bands were provided to this Department by the Revenue Commissioners as at June 2018. This information is being provided for statistical purposes only to assist in the consideration of the local adjustment factor for 2019 LPT.

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

- 2018 LPT Exempt (additional to declared liabilities)
- 2018 LPT Amounts Declared
- 2018 LPT Amounts Deferred
- 2018 Net LPT Position

The projected amounts for 2018 LPT reflect any local decision to lower/increase the basic rate by the local adjustment factor in 2018, 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 - 2019 LPT Allocation (Pending any decision to vary the basic rate)

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LPT 100%	<u>31,611,431</u>
LPT 20% towards Equalisation funding	<u>6,322,286</u>
LPT Retained Locally (80%)	25,289,144
2019 Baseline	<u>3,856,262</u>
2019 Surplus (LPT Retained Locally – 2019 Baseline)	<u>21,432,882</u>
Amount of Surplus to be retained for authority's own use (20% of basic rate of LPT income)	6,322,286
Balance of Surplus to Self-Fund Housing and Roads Services	<u>15,110,596</u>
	<u>21,432,882</u>
Total LPT Funding to be provided in 2019	<u>25,289,144</u>
Value of potential increase or decrease in 2019 LPT Allocation for every 1% of variation implemented	+/- 316,114

Appendix B – 2018 LPT Preliminary Statistics, post application of the 2018 Local Adjustment Factor (as of June 2018) Revenue Commissioners

Local Authority	LPT 2018 Exempt	LPT 2018 Declared	LPT 2018 Deferred	Net LPT 2018 Post Variation
Carlow County Council	€121,495	€4,104,393	€121,753	€3,982,640
Cavan County Council	€141,740	€4,585,770	€140,895	€4,444,875
Clare County Council	€221,985	€10,327,322	€237,240	€10,090,082
Cork City Council	€342,361	€11,356,070	€241,268	€11,114,802
Cork County Council	€1,128,666	€41,751,878	€813,345	€40,938,533
Donegal County Council	€251,702	€11,372,938	€397,575	€10,975,363
Dublin City Council	€2,224,166	€69,480,161	€1,428,587	€68,051,574
Dún Laoghaire-Rathdown CC	€1,304,170	€44,809,836	€724,779	€44,085,057
Fingal County Council	€970,365	€35,202,482	€773,930	€34,428,552
Galway City Council	€159,630	€8,318,767	€127,485	€8,191,282
Galway County Council	€370,466	€14,979,224	€338,378	€14,640,846
Kerry County Council	€384,770	€15,090,018	€312,286	€14,777,732
Kildare County Council	€539,497	€22,209,011	€535,163	€21,673,848
Kilkenny County Council	€222,475	€7,651,710	€180,707	€7,471,003
Laois County Council	€144,174	€5,602,154	€169,074	€5,433,080
Leitrim County Council	€84,465	€2,187,130	€53,775	€2,133,355
Limerick City and County Council	€464,469	€17,300,939	€421,967	€16,878,972
Longford County Council	€88,976	€2,293,411	€70,270	€2,223,141
Louth County Council	€238,945	€9,902,648	€339,503	€9,563,145
Mayo County Council	€231,435	€10,670,430	€241,515	€10,428,915
Meath County Council	€412,700	€18,076,349	€529,515	€17,546,834
Monaghan County Council	€91,648	€3,933,450	€114,165	€3,819,285
Offaly County Council	€374,361	€5,090,004	€160,718	€4,929,286
Roscommon County Council	€113,310	€4,097,655	€102,240	€3,995,415
Sligo County Council	€129,420	€5,362,333	€107,078	€5,255,255
South Dublin County Council	€191,900	€27,596,628	€726,912	€26,869,716
Tipperary County Council	€604,035	€13,345,524	€339,474	€13,006,050
Waterford City and County Council	€278,102	€9,821,115	€262,201	€9,558,914
Westmeath County Council	€162,444	€6,587,470	€173,048	€6,414,422
Wexford County Council	€348,204	€13,878,848	€426,561	€13,452,287
Wicklow County Council	€445,228	€17,628,180	€447,290	€17,180,890
Totals	€12,787,304	€474,613,841	€11,058,690	€463,555,151

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.

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 2018) Revenue Commissioners

LPT 2018 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	38.8%	36.6%	18.5%	3.7%	1.2%	1.2%
Cavan County Council	52.0%	38.0%	7.5%	1.6%	0.5%	0.5%
Clare County Council	37.4%	35.0%	18.8%	5.4%	1.8%	1.5%
Cork City Council	27.4%	29.5%	21.6%	12.4%	3.9%	5.1%
Cork County Council	23.0%	26.0%	29.2%	12.6%	4.6%	4.7%
Donegal County Council	50.9%	38.2%	7.5%	2.1%	0.7%	0.6%
Dublin City Council	11.9%	20.3%	20.5%	17.8%	9.7%	19.7%
Dún Laoghaire-Rathdown CC	1.3%	3.2%	11.0%	13.1%	12.1%	59.2%
Fingal County Council	7.1%	18.6%	23.8%	17.6%	11.4%	21.6%
Galway City Council	19.3%	30.1%	27.4%	11.9%	4.7%	6.6%
Galway County Council	35.1%	32.1%	22.8%	5.6%	2.1%	2.3%
Kerry County Council	31.9%	32.3%	26.4%	5.7%	2.0%	1.7%
Kildare County Council	16.1%	22.1%	30.0%	18.2%	6.7%	6.9%
Kilkenny County Council	30.8%	34.5%	24.2%	5.9%	2.0%	2.5%
Laois County Council	41.8%	41.2%	11.9%	3.0%	1.0%	1.0%
Leitrim County Council	60.9%	33.4%	4.2%	1.0%	0.2%	0.2%
Limerick City & County Council	34.2%	31.5%	22.5%	6.8%	2.8%	2.3%
Longford County Council	60.2%	33.4%	4.8%	1.0%	0.3%	0.2%
Louth County Council	34.8%	29.5%	24.0%	7.1%	2.5%	2.2%
Mayo County Council	42.9%	38.6%	13.9%	2.7%	1.0%	1.0%
Meath County Council	18.0%	28.0%	28.4%	14.3%	5.8%	5.5%
Monaghan County Council	41.6%	41.9%	12.8%	2.4%	0.8%	0.6%
Offaly County Council	41.0%	35.7%	18.1%	3.0%	1.0%	1.1%
Roscommon County Council	56.8%	34.5%	6.3%	1.4%	0.4%	0.6%
Sligo County Council	44.2%	31.6%	16.5%	4.6%	1.6%	1.6%
South Dublin County Council	7.3%	17.6%	26.3%	19.1%	10.3%	19.3%
Tipperary County Council	38.5%	34.4%	19.7%	4.6%	1.6%	1.2%
Waterford City & County Council	38.0%	29.9%	21.2%	5.9%	2.5%	2.4%
Westmeath County Council	38.9%	36.7%	17.7%	4.0%	1.4%	1.3%
Wexford County Council	34.4%	34.8%	23.3%	4.4%	1.6%	1.5%
Wicklow County Council	12.4%	17.8%	26.6%	18.4%	9.7%	15.1%