**MEETING OF South Dublin COUNTY COUNCIL**

**10th October 2022**

**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 Housing, Local Government and Heritage.

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

Section 20 of the Finance (Local Property Tax) Act 2012 (*as amended)* and section 8(4) of The Local Property Tax (Local Adjustment Factor) Regulations 2022 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).

The Local Property Tax (Local Adjustment Factor) Regulations 2022 require that before determining whether 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. **Estimation of Income and Expenditure**
2. **Financial position of the local authority**
3. **Estimation of Financial effect**
4. **Public consultation**

Reports have been prepared for each of these headings**.**

It is important to note that the Members can set a local adjustment factor for a period of their choosing as it no longer refers to yearly decisions but instead to “a period as specified in the resolution”. This is a significant change in the regulations. The 15% reduction to the basic rate of LPT, passed by the Members on 12th July 2021, applied for the period 1st November 2021 (liability date) to 31st October 2022. The rate reverts to the basic rate at the 1st November 2022, i.e., the pre-adjusted rate, and the Elected Members must now consider whether to reduce the basic rate, leave it unaltered or increase it, with effect from 1st November 2022.

**1. Estimation of Income and Expenditure:**

* 1. **Local Property Tax Income Allocation 2022**:

In 2022 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 2022 compared to General Purpose Grant allocations in 2014.

Of the 80% retained locally (€25.5m) an amount of €6.4m 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 meeting of the Council held on 12th July 2022. The cost of funding this reduction amounted to €4.8m thereby reducing the discretionary element of the allocation to €1.6m.

The LPT baseline allocation for 2022 remained at €3,856,262, which is the same as 2021

The remainder of the allocation amounting to €15.3m was assigned by the Department of Housing, Local Government and Heritage to self-fund some services in housing and roads.



**1.2 Local Property Tax Income Allocation 2023**:

Department of Housing, Local Government and Heritage circular Fin 08/2022 (Revised) dated 16th August advised 100% of LPT income will be retained locally within the local authority area where it is collected. The 20% previously allocated towards the equalisation fund will be met by the exchequer, to ensure that all authorities receive, at a minimum, an amount equivalent to their baseline.

The Council’s LPT allocation for 2023 is €32,263,395 representing 100% of the LPT income that is anticipated will be collected in the South Dublin County administrative area in 2023. The Department has advised that this income will be allocated as follows:

1. An amount of €3,856,262 is allocated as the 2023 Baseline LPT figure and is the same amount as was allocated as the 2022 Baseline figure.
2. 22.5% of the 2023 LPT income collection amounting to €7,259,264 is provided for allocation at the discretion of the Council. The net proceeds from this allocation are 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 2023.
3. The balance of €21,147,869 will be allocated by the DHLGH to fund social housing and roads services.



The following table sets out details of the Council’s LPT allocation 2023 compared with that for 2022 before any decision is taken on the local adjustment factor.



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

The estimated LPT collection in the South Dublin County administrative area in 2023 is €32,263,395 and the cost of funding or gain from each 1% reduction/increase to the basic rate amounts to €322,634. This will result in a total funding requirement of €4,839,509 if a decision is taken to apply the maximum reduction of 15%.



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 €7,259,264 to €2,419,755. 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 €12,098,773.

**1.4 Preparation of Budget 2023:**

The 2023 Budget is being prepared on a phased basis with input from the Corporate Policy Group (CPG), Members and Chief Executive at differing stages of the process. The Local Government Act 2001 (as amended), the Local Government (Financial and Audit Procedures) Regulations 2014, the Local Government (Financial and Audit Procedures) (Amendment) Regulations and Circular Fin 09/2022 made provision for an outline budget strategy prepared in consultation with the CPG and submitted to the DHLGH by 30th December 2022.

The CPG discussed the 2023 Budget strategy and the variation of the Local Property Tax (LPT) on 4th July 2022 and confirmed the basic assumptions and the broad parameters for Budget 2023. Following DHLGH clarification via Circular Fin 08/2022 (revised) regarding local retention of LPT and receipt of the details of the LPT Allocation 2021, the CPG met again on 5th September 2022 to review and agree an overview of Budget 2023. 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 for 2023.

**1.5 National Budget**:

The Estimated Income and Expenditure for 2023 is based on an assumption that State grants and subsidies will be continued at 2022 levels adjusted by known activity changes in 2023 (e.g. rental accommodation scheme payments etc.). 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 specific detail of the level of Central Voted grants funding to be provided to local authorities is a matter that will be considered, as normal, as part of the Estimates process.”* Specific details from the National Budget 2023 are still awaited.

**1.6 Key dates:**

* The Revenue Commissioners and the Minister for Housing, Planning, and Local Government must be notified by **15th October 2022** if the council decides to vary the basic rate of the LPT for 2023.
* In addition, a preliminary estimation of Revenue and Capital Income and Expenditure 2023 was submitted to the DHLGH by **16th September** **2022** to meet EU budgetary timelines.
* Consultation with the CPG about the parameters and content of the 2023 Budget will continue as will the group’s input into the budget strategy in the coming weeks.
* The 2023 National Budget was presented to Dáil Éireann on 27th September and we await details from the DHLGH and other funding bodies who contribute funds for specific operational and capital programmes.
* The 2023 Budget meeting for South Dublin County Council must be scheduled within the prescribed period of 1st to 30th November 2022. Once commenced the meeting can be adjourned for up to 14 days from the date of the initial meeting (hence Budget 2023 must be adopted by 13th December 2022). As the South Dublin County Council Budget meeting is scheduled for **Thursday 17th November 2022** the budget must be adopted by Wednesday 30th November 2022 at latest.

**1.7 Basis of preparation of Report on Income and Expenditure:**

This report is being prepared as the Council’s Budget for 2023 is still being drafted and several potential changes are expected but which are not quantified including:

1. The cost of Fire Service 2023
2. The cost towards the provision of Homeless Services
3. Increased energy tariffs
4. Implications from the National Budget 2023
5. Increases as general inflation heads towards 10%

The Report on Income and Expenditure 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.

Preliminary work has been carried out to project payroll and loan charges for 2023. This work will continue for remaining expenditure and income provisions in the context of the budget strategy during the development of the draft budget in October and November 2022. 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 2022.

**1.8 Estimation of 2023 Income and Expenditure of South Dublin County Council**



It should be noted that the 2023 LPT income is based on the 2023 revenue budget allocation with no reduction in the basic rate. Any decision to vary will be reflected in a corresponding reduction of Other Expenditure.

**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 2022 and is based on the financial position as at 30 June 2022.



**2.2 Indicators:**

**Ratio of loans payable to revenue income: 56%**

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: 3.8:1**

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

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

**2.3 Current assets:**



**2.4 Current liabilities:**

|  |  |
| --- | --- |
|   | **Current liabilities @30/06/2022** |
|  | **€'M** |
| **Creditors & Accruals** | **49.8** |
| **Comm. Rates (2nd Moiety 2022)** | **61.6** |
| **Deferred Income** | **28.6** |
| **Due within 1 Year** | **9.1** |
| **Total** | **149.1** |

**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 cash flow problems, which would hinder future operations.

The council has a General Reserve of €16.6m at 30th June 2022, which includes a €4.4m surplus for the period to 30th June 2022 plus the Revenue Reserve of €12.2m reported in the balance sheet to 31st December 2021. The surplus to 30th June 2022 does not take account of the seasonal nature of operations & 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 fixed for bands 1 and 2, but for bands up to 19, the charge is calculated by multiplying the mid-point of the valuation band that the property falls into by the basic rate of .1029.

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

The table below illustrates the impact of a 5%, 10% or 15% reduction on the basic charge per band.



The following information was provided by the Revenue Commissioners in relation to property valuation bands in the South Dublin administrative area. It is based on property values at the 1 November 2021 valuation date together with returns filed to date. It indicates that 56% of properties registered to the South Dublin administrative are in valuation bands less than €350,000. In 2023 56% of liable persons would have paid €268 or less based on the 15% reduction applied (i.e. an annual reduction of €47).



**Economic impact on South Dublin if the 2023 LPT is varied:**

The following table sets out the overall impact of a 5%, 10% and 15% adjustment to the discretionary funding to South Dublin County Council for 2023 

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 2023 will reduce from €7,259,264 to €2,419,755 if the maximum reduction is applied.

**4. Report on Outcome of Public Consultation Process**

The Local Property Tax (Local Adjustment Factor) Regulations 2022 made provision for a consultation period of at least 30 days by a local authority with the public in its administrative area. The consultation process was initiated to facilitate members of the public to 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 6th July 2022 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 12th of August 2022 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:



**Submissions:**

A total of 15 submissions were received by the closing date.

The submissions are summarised as follows:



|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Ref** | **Date** | **Method** | **Location** | **Submission** | **Text** |
| LPT01 | 07.07.22 | Online Portal | Lucan | Reduction | We as a family would welcome some relief in the form of a reduction of LPT , particularly this year with the overall cost of living increases and it's rising steadily also costs of schooling (secondary) its becoming and daily effort to try save money, I dread the winter and the energy costs to come.I feel the counsellors need to take current financial household struggles into account when making their overall decisions.Thanking you in advance. |
| LPT02 | 07.07.22 | Online Portal | Lucan | Reduction | Given local services and facilities, eg the long awaited swimming pool, new schools, GPs etc are lacking behind in the lucan area I think a reduction of the basic rate would be appropriate. |
| LPT03 | 07.07.22 | Online Portal | Adamstown | Reduction | Already paying management fees, as well as property tax in an estate that is not owned by the council and has multiple ongoing building sites causing disruption. There is no value for money or anything being done within our estate since I moved in 14 years ago. There is dirt from building sites everywhere. Cars speeding through the estate with little to no lighting on this road. We CANNOT AFFORD anymore increases and certainly not for the fact that we get nothing in the estate as it is. No to increase in taxes. If you do, votes are lost. Simple as that. |
| LPT04 | 07.07.22 | Online Portal | Lucan | Reduction | We shouldn’t have to pay tax on our homes. We pay enough taxes. Why don’t you work towards abolishing it? |
| LPT05 | 29.07.22 | Online Portal | Lucan | Reduce by 15% | Please consider passing a formal resolution to reduce the cost of LPT for households in SDCC in your meeting in October next. Please make the reduction the maximum of 15%. |
| LPT06 | 06.07.22 | Email |  | Reduce by 15% | Good Afternoon,  I would like the council to reduce the LPT by 15% for the coming year as the rate of inflation is putting significant pressure on already struggling working families.  |
| LPT07 | 08.07.22 | Email |  | Reduce by 15% | I request that the LPT is kept at its lowest rate possible please. South Dublin County has had significant levels of new builds since 2013, all of which were exempt from LPT until this year. There has therefore been a massive increase in the amount of tax SDCC has received this year as it is from these properties. Needless to say the cost of living is rising so a reduction in the rate would be much appreciated. |
| LPT08 | 10.07.22 | Email |  | Reduce by 15% | I am emailing to highlight my concern at the potential for the LPT adjustment factor being increased. All over the country families are already feeling the pressure of inflation. Our prices of basic necessities like food, shelter, light and heat are sky rocketing and people are struggling to cope. This is country wide however South County Dublin has 8 localities that are considered disadvantaged and many more that are below average\*. I live in one of the disadvantaged areas in Clondalkin. The unemployment rate averages 30%. The ratio of single parents is 50%. Any increases in the lpt will push people over the edge.Myself and my husband both work full time. Our bills are paid and our fridge is full however with the rate of inflation and cost of living increasing so much over the last number of months we are left with nothing at the end of the month. We are working just to pay bills and that is no life at all.I implore South Dublin County Council to do the right thing when it comes to the lpt adjustment factor.\*Report from [therightsplatform.ie](https://eur04.safelinks.protection.outlook.com/?url=http%3A%2F%2Ftherightsplatform.ie%2F&data=05%7C01%7Clpt%40sdublincoco.ie%7C0765516c05d34bbfb11d08da6273d935%7C6a3c00c019d0492da8de95fad8fda1d4%7C0%7C0%7C637930547405312833%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C2000%7C%7C%7C&sdata=qcHwmCegDW09DQeiQ6KmQrAe%2BwzOfdc2%2F4STuaeKt%2Fo%3D&reserved=0) as advertised recently by one of SDCC's own Counsellors. |
| LPT09 | 10.07.22 | Email |  | Eliminate  | Dear councillors  With regards to consideration to introduce changes to the rates of property, it is my view that the aim should be to eliminate this in total either by reducing it annually or by eliminating it all together. Most people in the Clondalkin area are struggling to make ends meet and this is an extra burden on them. The Area is not sufficiently maintained especially along main roads where weeds are growing along all edges and waste areas, the roundabouts at the Fonthill Nangor road are neglected every year until you receive a call, the footpaths in the Cherrywood area are long overdue re-concreting. Other local area have been looked after who are not as old as Cherrywood grove. The numbers of people in this area looking for housing is high and planning and costs are not meeting their needs. It is my view that this should be reduced or eliminated |
| LPT10 | 12.07.22 | Email |  | Reduce by 15% | Dear Manager I wish to make a submission against the raising of the Local Property Tax , I continue to maintain that this is an unfair and unjust Tax and again I lobby and campaign that this unfair tax is kept at the 15% reduction allowed to elected representatives , we cannot again hit people that are struggling to live and meet the increasing demands of trying to meet the ever rising cost of living in Dublin especially in light of Covid 19 , The war in Ukraine and the cost of living crisis. Go raibh maith agat,  |
| LPT11 | 13.07.22 | Email |  | Reduce | Dear Sir or Madam, I wish to make the submissions below regarding Local Property Tax.  Please confirm that these submissions have been received in time to be included in your survey/consultation, and thank you for your attention and the opportunity to make submissions. Submissions1.  LPT is an unjust, unfair, extra tax taken out of earnings which themselves have already been taxed.  LPT is therefore a duplicated tax.  It is also levied on dwelling houses where stamp duty was already charged at an exorbitant rate when the house was bought.2.  When he was Taoiseach, Enda Kenny TD promised that no-one's primary dwelling house would be taxed.  The Government reneged on this promise to the nation and overturned it without providing a proper reason.  (Am I right in thinking that LPT was first introduced as a temporary tax and has never been removed?)3.  Privately-owned holiday homes should continue to be liable for LPT at the full rate.4.  LPT is not levied on everyone living in SDCC's area.  Apart from those living in privately-owned, rented flats or apartments, LPT should be payable by everyone else.  Council tenants should pay LPT on houses at a rate which is pro rata with their earnings, much in the same way as their house rents are calculated. This would mean that the burden of LPT would be more equally shared amongst more people and should thus reduce the rate of LPT for all.  5. Landlords and companies who own flats and apartments should continue to be liable for full rate of LPT.6.  The payment of LPT should be means-tested where a family or individual cannot afford the full tax.  In this instance, a reduced rate of tax could be levied on those who cannot afford the full LPT amount.  For example, Old Age Pensioners with reduced incomes who live in private dwellings should pay a pro-rata LPT.  Information about income/earnings can be obtained from the Revenue Commissioners.7.  It is not made clear what processes or procedures SDCC undertakes to recoup rent owed by SDCC tenants, nor how successful these processes or procedures are or have been in the past.  8.  If SDCC collected overdue rents more efficiently, the revenue raised by LPT would not be as urgently required by the Council.9.  If SDCC collected overdue rents more efficiently, the rate of LPT could be lowered.10.  It is not made clear what processes or procedures SDCC undertakes to recoup fees and/or fines owed by developers.  It is possible that if such fees and/or fines were recouped more efficiently, then the level of LPT could be reduced.11.  Paying LPT to a Council which appears to waste public funds doesn't engender trust in that Council.  The number of vacant Council houses in the Clondalkin area appears to be increasing at an alarming rate.  Any house left vacant deteriorates rapidly.  A vacant house becomes interesting to those involved in anti-social behaviour where other people are peaceably residing.  A boarded-up house also demeans an area.  Why is SDCC ignoring these vacant Council houses when so many people are homeless, when so many people are living in Direct Provision and we have a housing crisis? 12. It would be useful if SDCC would disclose what percentages of their overall funding is used by their various departments.  This would have to include the Council’s outlay on salaries/wages, overtime, travel, payments to outsourced services, etc. Of course I will pay my LPT as I do all my taxes, but in view of the above I admit my resentment in doing so. |
| LPT12 | 23.07.22 | Email |  | Increase by 15% | Dear Sir/Madam,  I am emailing with regard to the local property tax consultation. I would like to put on record that there should be no exemption of Local property tax for properties that are declared uninhabitable. The council should not just accept that these properties are uninhabitable, but instead work with the owners to bring them back into habitable state, to be sold or rented out, and actively paying LPT. I support LPT being paid at the maximum rate possible, to pay for local public services.  |
| LPT13 | 29.07.22 | Email |  |  | Dear Sir/Madam,South Dublin Chamber is the recognised and accredited representative body for businesses in South Dublin County and is an active member of the wider community in the county. Our members both live and work in our county and we judge the success of our county not just in economic terms but more importantly as a good place to live, work, be educated, visit and be part of a community. We believe it is, but we can do more and we must be ambitious to do more. Local taxation offers us all an opportunity to do more, and we will share in this submission why we believe this is so.Our observations relating to the powers of elected members to vary the basic rate of the Local Property Tax are intended to support our community and ensure the further development of local government. We would be pleased to meet in any fora and provide further information to support our observations.At present our local government is funded over 50% by businesses primarily through commercial rates. In order to sustain a healthy local economy, we need to ensure we are cost competitive in relation to surrounding counties. Businesses are facing challenges and are being put under increased pressure through Covid19 impacts, Brexit, Climate Change requirements, and by the war in Ukraine mostly through increased energy prices, inflation and staff shortages. We do not believe it is prudent to add further to the burden on local businesses by increasing taxes and most likely leading to a reduction in the number of businesses and therefore even less revenue and increased unemployment. Unemployment remains the single biggest factor in determining social deprivation.Local Property Tax has been reduced by the maximum amount in 2015, 2016, 2017, 2018, 2019, 2020 and 2021. To any outsider it would seem we are a county that does not need extra services and resources for our community. However many opportunities to provide for our community have been lost and many people in need have been impacted so that a small saving could be afforded to those who pay LPT.On our study visit to West Lothian Scotland in 2019 we saw first-hand how local government with diverse sources of funding can provide more services and supports for their communities than we are able to here in Ireland. South Dublin Chamber is a strong advocate for local democracy through local government. Participative democracy is predicated on meaningful engagement locally, having ownership of our services delivered through South Dublin County Council means making a contribution and part of that contribution comes in the form of local taxation. We accept that the LPT was imperfect and that the relationship between taxes paid and additional services delivered was either not acknowledged or not visible to the community and this is something that is improving, but needs further work.We respectfully recommend that the LPT is left as is or is increased so that the services our community needs are provided. We believe that most citizens in the county want to ensure we live in an equitable community where those that can pay a little extra do so, in order that their fellow citizens can be supported as their needs require. |
| LPT14 | 02.08.22 | Email |  |  | Good Afternoon,Dublin Chamber is the representative body for businesses throughout the Greater Dublin Area and is committed to enhancing both the economic competitiveness and quality of life across the region. With a cross-sectoral membership base spanning the spectrum from micro-enterprises to multinationals, and supporting 300,000 jobs, the Chamber has a unique insight into the needs of both businesses and their employees. Dublin Chamber wishes to highlight a number of concerns with respect to LPT and requests that these be taken into account by South Dublin County Council in relation to its annual decision on the Local Property Tax (LPT) variation. Dublin is suffering from underinvestment in its infrastructure and municipal services. There is strong demand for climate action, a better urban environment, and improved quality of life. LPT revenue has an important role to play in meeting these needs. A large and one-sided relinquishment of revenue from LPT is therefore not appropriate at this time. The current uncertain economic and fiscal outlook makes it imprudent to voluntarily forego more revenue than necessary when this could necessitate an increase in commercial rates on vulnerable businesses later in the year, putting jobs at risk. The decision on the adjustment of LPT in South Dublin must not be taken in isolation. It must be considered in light of the likely implications for the overall budget for 2023 which will be agreed later this year, and the implications for commercial rates in particular.Businesses already fund just under half of the South Dublin County Council budget directly through commercial rates, in addition to their other contributions through various charges and levies, yet commercial rates have often been treated as a balancing item to address shortfalls arising from earlier decisions. With the rapidly rising cost of doing businesses in Dublin, there is no room for complacency this year. Dublin Chamber encourages all elected representatives to consider this carefully and to ensure that commercial rates are not increased at a critical time for business and employment. South Dublin County Council should limit any LPT reduction this year to an absolute maximum of -10%. In future years additional revenues may assist in accelerating projects that could make a tangible difference to the transport offering, carbon emissions level, and quality of life in South County Dublin and the wider Dublin region. With businesses already heavily relied upon to fund Local Authorities, LPT is a revenue stream that should be better managed to improve urban services whilst being prudent in relation to household impact. Dublin Chamber supports greater funding and empowerment of local government in Dublin, and to this end we advocate for implementation of the key recommendations of the Thornhill Report on Local Property Tax.[[1]](#footnote-1) Dublin Chamber acknowledges the complexities involved in determining the appropriate yield from LPT and the potential impact of changes on urban living costs and the general economic environment. For example, in recent years there has been understandable concern about the potential impact of recent property price inflation on LPT liabilities in the capital. That is why the Chamber broadly welcomed the findings of the 2015 Thornhill report, and agrees that policy should aim for ‘relative stability’ in LPT liabilities. There remains a general tendency amongst Local Authorities towards overreliance on the collection of commercial rates revenue as a means of balancing accounts. The manner in which the discretionary variation in LPT has been exercised by Local Authorities is indicative of the attitude prevalent among local representatives. Commercial rates paid by the business community are budgeted to account for nearly half (49.6%) of South Dublin County Council income in 2022, while LPT revenue accounts for just 1.9%.[[2]](#footnote-2) *Dublin Chamber welcomes the presence of multiple sources of Local Authority funding, and encourages South Dublin County Council to adopt a more balanced approach to revenue generation in the coming years. Authority representatives should make the most effective use of existing revenue streams to improve economic competitiveness and quality of life in the city, while avoiding undue burdens on struggling businesses.* |
| LPT15 | 10.08.22 | Email |  | Increase by 15% | Hi,Should this consultation not be label as LPT 2023? I'm in favour of increasing it by 15% in order for the county council having more money to put into Biodiversity |

This report is submitted for consideration by the Members in accordance with Section 20 of the Finance (Local Property) Tax Act 2012 as amended and the Local Property Tax (Local Adjustment Factor) Regulations 2022. 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 15th of October in the year prior to which the LPT variation takes effect & Article 9, Part 4, of the Local Property Tax (Local Adjustment Factor) Regulations 2022 requires that notification of a variation must also be received by the Minister for Housing, Local Government & Heritage 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 15th October.

As provided in the previous Local Property Tax (Local Adjustment Factor) Regulations, the varied rate of Local Property Tax applied for a period of one year from the next local property tax liability date i.e. from 1/11/2021 to 31/10/2022 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 08/2022 (Revised) is attached setting out the LPT allocation for SDCC.

In considering the determination of the local adjustment factor Members are asked to consider the contents of this report, including the public submissions, together with the need to retain and expand current levels of service to our citizens. There are ongoing demands on the Councils Revenue budget to meet operating costs, maintain front line services, and maximise investment opportunities. At this time significant uncertainty exists in terms of the impacts of inflationary pressure on expenditure headings such as energy, construction costs, and other goods and services required to meet our citizens demands.

At present no provision has been made for increased costs of Fire Service nor for the ever-increasing Homeless service. There will be increased operational costs associated with the running of new facilities which the council has provided such as new libraries, new parks and additional community facilities including playgrounds and pavilions. The additional costs associated with maintaining our growing Housing stock, mandatory increase in private rented housing inspections, increase in HAP/ Leasing costs, will all increase demand on our resources. The demands on the Council for increased services such as Litter Management, Tree Management, Public Realm Improvements Footpath Repair and Community Supports continues unabated.

In relation to the forgoing, there are several vulnerabilities on the income side including the levels of government support for recoupment of the new wage agreements and other existing government supports.

In ordinary circumstances I would strongly advocate the maximum LPT increase available to consolidate gains made in service provision and to pay for the obvious increased costs that will apply in 2023.

 In the preparation of the national budget the Irish Fiscal Advisory Council advised Government against making inflation worse and recommended protecting the most vulnerable from the consequences of the exceptional rise in energy prices.

However, in the current circumstances I consider it imprudent to seek LPT increases. It is important that we adopt strategies to try to support households and our communities, to cushion them from the inflationary impacts currently being experienced.

In the coming weeks prior to budget finalisation, we will further evaluate potential financial scenarios for the year ahead. In this context and working with the corporate policy group I hope to present a budget that mitigates where possible the impacts of the current economic shock through budgetary adjustments and make it sufficiently flexible to allow onward adjustments should circumstances not improve over the later part of 2023.

Daniel Mc Loughlin

Chief Executive

30/09/2022

1. [↑](#footnote-ref-1)
2. [↑](#footnote-ref-2)