



06 September 2023

Circular Fin 07/2023

Chief Executive

cc. Head of Finance

Provisional Local Property Tax Allocations 2024 – South Dublin County Council

A Chara,

I am directed by the Minister for Housing, Local Government and Heritage to inform you that the provisional Local Property Tax (LPT) allocations from the Local Government Fund for 2024 have been agreed and South Dublin County Council's allocation is set out below and in **Appendix A** to this document. LPT allocations have been calculated based on an estimated yield (pre variation) for the 2024 LPT liability year of €528.8m, based on the latest 2022 LPT liabilities data as provided by the Revenue Commissioners, adjusted for deferrals and newly liable properties for 2023 (as set out in **Appendix B** to this document).

LPT Baseline Review and 2024 Baseline

Under the current LPT allocation model, every local authority is entitled to receive a minimum amount of funding under the LPT allocation process, known as the Baseline.

As you are aware, a working group, which included representatives from the local government sector, was set up earlier this year to review and establish a new model to determine LPT baseline funding levels. The work of the group has now concluded with the following recommendations:

1. That from 2024, funding would be distributed in accordance with the allocation model developed by the working group, according to the following indicators and weightings: population: 10%, area: 35%, deprivation levels: 20%, Local Authority locally raised Income: 27.5% and achievement of National Policy Priorities: 7.5%;
2. That no local authority should see a reduction in baseline funding upon the application of the above model; and
3. That this model is used to review local authority baselines every 5 years, following updated census data.

The Minister has approved the recommendations of the group, and, furthermore has committed to ensuring that every authority receives an increase in baseline funding in

2024 of at least €1.5m. Accordingly, the overall LPT Baselines of Local Authorities in 2024 will be increased from **€353m** to **€428.4m** (Local Authority 2024 LPT Baselines are set out in **Appendix C** to this document). As well as assisting local authorities to meet the costs of providing essential services, ensuring a minimum increase in baseline funding to each local authority enables a level of flexibility and discretion for each authority to address priority resource demands arising, such as those required to implement cyber security measures, to support the roll out of the new Code of Corporate Governance for Local Authorities and to support National Development Plan delivery generally.

It should be noted that the purpose of the review was to identify those authorities that needed to be brought up to par in terms of baseline funding, and therefore some authorities will see a greater increase in funding than others.

South Dublin County Council's Baseline for 2024 is **€8,926,059**.

Equalisation

In line with the commitment in the Programme for Government – *Our Shared Future*; 100% of the estimated LPT yield is retained locally within the local authority area where it is collected. All equalisation funding will be met by the Exchequer, to ensure that all authorities receive, at a minimum, an amount equivalent to their Baseline. The equalisation funding requirement 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 2024 LPT receipts are compared to the 2024 Baseline, South Dublin County Council will not be in receipt of equalisation funding in 2024.

Self-Funding

As previously, those local authorities with a surplus LPT yield above their baseline, will have that surplus allocated in two ways:

- Part of the surplus, up to the equivalent of 22.5% of total expected LPT income (or the full amount of the surplus if that is less than 22.5%), 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.

- The self-funding requirement will be based on the total expected level of LPT in each local authority area before any application of a local variation decision and will not be adjusted if the basic rate of LPT is varied.

Based on its surplus position when expected 2024 LPT receipts are compared to the 2024 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 2024

The LPT allocation for South Dublin County Council for 2024 (**pending any decision to locally vary the basic rate**) is **€34,447,779**. As a local authority that will be in receipt of 2024 LPT income in excess of the Baseline, South Dublin County Council will be entitled to retain an amount of this surplus funding equivalent to 22.5% of the total expected LPT yield or **€7,750,750** for its own use. South Dublin County Council will be required to use the remainder of the surplus to self-fund some specified services in the Housing and Roads areas to the value of **€17,770,970**. 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 to vary the basic rate of LPT by up to 15%. It should be noted that if a local authority decides to vary the LPT basic rate upwards in 2024; 100% of the resultant additional income will be available for the authorities' own use. Similarly, if an authority decides to vary the LPT basic rate downwards (by up to 15%) in 2024, 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 2022 (S.I. 358 of 2022) which take account of relevant provisions in the Finance (Local Property Tax) Acts. These regulations provide the updated requirements for local authorities who may wish to vary their local property tax rates for a specified period, in accordance with section 20 of the Act.

Apart from the formal notification to the Minister of the passing of a resolution in accordance with the regulations, local authorities will be requested, as a procedural matter, to confirm with the Department, the local adjustment factor (or the basic rate, as the case may be) that should apply for the 2024 LPT liability year, on or before 15 October 2023.

Previous guidance circular Fin 08/2014 and Fin 06/2022 also refers.

LPT Statistics and Property Valuation Bands

2023 LPT Preliminary Statistics and Property Valuation Bands are available on the Revenue Commissioners website at the following web link:

<https://www.revenue.ie/en/corporate/information-about-revenue/statistics/local-property-tax/lpt-stats/2023/index.aspx>

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

- Estimated Net LPT Liabilities for 2024 (Before the application of any local adjustment factor variation)
- 2023 LPT Deferrals (before local variation). Excluded from the estimated Net LPT Liabilities
- Properties Newly Liable in 2023 (before local variation). Included in estimated Net LPT Liabilities

The projected amounts for 2024 LPT do not reflect any local decision to lower/increase the basic rate by the local adjustment factor in 2024, i.e. data provided is pre-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.

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

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Sinéad O'Gorman,
Principal,
Local Government Finance

Appendix A

South Dublin County Council - 2024 LPT Allocation (pending any decision to vary the basic rate)

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LPT Retained Locally 100%	34,447,779
2024 Baseline	<u>8,926,059</u>
2024 Surplus (LPT Retained Locally – 2024 Baseline)	<u>25,521,720</u>

Amount of Surplus to be retained for authority's own use (22.5% of basic rate of LPT income)

	7,750,750
Balance of Surplus to Self-Fund Housing and Roads Services	<u>17,770,970</u>
2024 Surplus	<u>25,521,720</u>

Amount of LPT Allocation to be retained for authority's own use in 2024 (pending any decision to vary the basic rate)

16,676,809

Total LPT Funding to be provided in 2024

34,447,779

Value of potential increase or decrease in 2024 LPT Allocation
for every 1% of variation implemented

+/- 344,478

Appendix B – Estimate of LPT yield in respect of the 2024 Liability Year, before the application of any Local Adjustment Factor

Local Authority	Estimated Net LPT Liabilities for 2024 (Before the application of any local adjustment factor variation)	2023 Deferrals excluded	Properties newly liable in 2023 included
	Net LPT figure excludes deferrals, but includes newly liable properties		
Carlow County Council	€3,998,227	€21,569	€26,302
Cavan County Council	€4,014,598	€19,770	€17,768
Clare County Council	€9,738,737	€40,666	€66,279
Cork City Council	€22,449,184	€106,318	€195,335
Cork County Council	€33,371,302	€133,497	€328,168
Donegal County Council	€9,049,469	€30,968	€34,536
Dublin City Council	€96,970,371	€543,099	€1,198,689
Dún Laoghaire-Rathdown CC	€60,095,759	€315,540	€1,158,645
Fingal County Council	€43,609,512	€237,892	€740,310
Galway City Council	€8,963,395	€38,565	€33,915
Galway County Council	€15,299,282	€52,875	€96,463
Kerry County Council	€13,366,016	€38,679	€56,940
Kildare County Council	€25,244,978	€116,167	€605,402
Kilkenny County Council	€7,628,509	€29,078	€41,430
Laois County Council	€5,241,795	€21,735	€51,716
Leitrim County Council	€1,878,503	€8,672	€3,303
Limerick City and County Council	€15,167,516	€66,425	€103,915
Longford County Council	€2,146,088	€11,541	€7,266
Louth County Council	€10,195,678	€64,485	€136,059
Mayo County Council	€9,178,425	€33,949	€48,659
Meath County Council	€20,323,607	€114,099	€340,193
Monaghan County Council	€3,244,442	€15,450	€21,427
Offaly County Council	€4,815,843	€23,892	€49,672
Roscommon County Council	€3,839,124	€13,917	€16,144
Sligo County Council	€4,780,540	€18,929	€26,107
South Dublin County Council	€34,447,779	€254,031	€423,001
Tipperary County Council	€11,052,375	€40,645	€23,795
Waterford City & County Council	€9,863,694	€48,365	€83,342
Westmeath County Council	€6,611,936	€28,238	€40,542
Wexford County Council	€12,394,385	€68,304	€116,411
Wicklow County Council	€19,824,676	€115,049	€364,707
Total	€528,805,743	€2,672,409	€6,456,442

Note: The estimated €528.8m (pre-variation) yield for the 2024 LPT liability year is based on the Revenue Commissioners' latest yield estimates of €513.4m (post-variation) for the 2022 liability year. The estimated yield includes newly liable properties for 2023, but excludes any deferrals for 2023. The effect of the application of any local adjustment factor is excluded in the table above.

Appendix C – Local Authority LPT Baselines 2024

Local Authority	LPT Baseline 2024
Carlow County Council	€8,914,470
Cavan County Council	€11,783,496
Clare County Council	€10,179,318
Cork City Council	€11,198,643
Cork County Council	€18,453,747
Donegal County Council	€26,619,850
Dublin City Council	€20,595,592
Dún Laoghaire-Rathdown County Council	€9,770,919
Fingal County Council	€5,824,881
Galway City Council	€4,099,723
Galway County Council	€20,309,071
Kerry County Council	€15,276,761
Kildare County Council	€13,255,790
Kilkenny County Council	€12,173,913
Laois County Council	€11,620,533
Leitrim County Council	€10,456,315
Limerick City & County Council	€19,054,464
Longford County Council	€10,406,648
Louth County Council	€11,366,198
Mayo County Council	€21,312,344
Meath County Council	€12,372,034
Monaghan County Council	€12,738,572
Offaly County Council	€11,252,214
Roscommon County Council	€11,993,634
Sligo County Council	€11,702,627
South Dublin County Council	€8,926,059
Tipperary County Council	€27,451,602
Waterford City and County Council	€20,178,971
Westmeath County Council	€12,705,507
Wexford County Council	€15,126,453
Wicklow County Council	€11,230,668
Total	€428,351,015