**MEETING OF South Dublin COUNTY COUNCIL**

**14TH October 2024**

**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 is 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 the regulations no longer refers to yearly decisions but instead to “a period as specified in the resolution”. It is recommended however that such a period should not exceed the lifetime of the present council. The 15% reduction to the basic rate of LPT, passed by the Members on 9th October 2023, applied for the period 1st November 2023 (liability date) to 31st October 2024. The rate reverts to the basic rate at the 1st November 2024, 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 2024.

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

* 1. **Local Property Tax Income Allocation 2024**:

In 2024 100% of LPT income collected was retained locally unlike previous years when 20% was paid into an equalisation fund to ensure no local authority was worse off from local retention of LPT in 2024 compared to General Purpose Grant allocations in 2014.

Of the 100% retained locally (€34.4m) an amount of €7.7m was allocated as 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 9th October 2023. The cost of funding this reduction amounted to €5.1m thereby reducing the discretionary element of the allocation to €2.6m.

The LPT baseline allocation for 2024 was €8,926,059, which increased from €3,856,262 in 2023.

The remainder of the allocation amounting to €17.7m 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 2025**:

Department of Housing, Local Government and Heritage circular Fin 09/2024 dated 20th June advised that the Council’s provisional LPT allocation for 2025 is €37,049,775 pending any decision to locally vary the basic rate. The Department further advised that this income will be allocated as follows:

1. An amount of €8,926,059 is allocated as the 2025 Baseline LPT figure. Under the LPT model every local authority receives a minimum amount of funding known as the Baseline. The Baselines were reviewed by the Department in 2024 and South Dublin County Council’s baseline was increased from €3,856,262 to €8,926,059, an increase of €5,069,797
2. 22.5% of the 2025 LPT income collection amounting to €8,336,199 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 2025.
3. The balance of €19,787,517 will be allocated by the DHLGH to fund social housing and roads services.



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| The following table sets out details of the Council’s LPT allocation 2025 compared with that for 2024 before any decision is taken on the local adjustment factor.

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| **South Dublin County Council Provisional LPT Allocation** |
|  |
|   | **2025** | **2024** | Change |  |
| Projected Gross LPT Income for County | €37,049,775 | €34,447,779 | €2,601,996 |  |
| **LPT Retained Locally**  | **€37,049,775** | **€34,447,779** | **€2,601,996** |  |
|   |   |   |   |  |
| Allocated as follows: |   |   |   |  |
| Assigned for discretionary purposes - including variation of basic rate | €8,336,199 | €7,750,750 | €585,449 |  |
| Baseline Allocation | €8,926,059 | €8,926,059 | €0 |  |
| Balance to self-fund Housing and Roads Services | €19,787,517 | €17,770,970 | €2,016,547 |  |
| **LPT allocation**  | **€37,049,775** | **€34,447,779** | **€2,601,996** |  |
|   |   |   |   |  |
| Cost of Variation if 15% reduction is applied  | €5,557,466 | €5,167,167 | €390,299 |  |
| Discretionary alloc. if 15% reduction is applied | €2,778,733 | €2,583,583 | €195,150 |  |

**1.3 Cost/Gain from varying the basic rate of the LPT**: The estimated LPT collection in the South Dublin County administrative area in 2025 is €37,049,775 and the cost of funding or gain from each 1% reduction/increase to the basic rate amounts to €370,498. This will result in a total funding requirement of €5,557,466 if a decision is taken to apply the maximum reduction of 15%.

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| **Projected South Dublin Co. Co. LPT Income** | **2025** |
| ***Cost or Gain from:*** |
| 1% Variation | €370,498 | 9% Variation | €3,334,480 |
| 2% Variation | €740,996 | 10% Variation | €3,704,978 |
| 3% Variation | €1,111,493 | 11% Variation | €4,075,475 |
| 4% Variation | €1,481,991 | 12% Variation | €4,445,973 |
| 5% Variation | €1,852,489 | 13% Variation | €4,816,471 |
| 6% Variation | €2,222,987 | 14% Variation | €5,186,969 |
| 7% Variation | €2,593,484 | 15% Variation | €5,557,466 |
| 8% Variation | €2,963,982 |   |   |

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| 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 €8,336,199 to €2,778,733. 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 €13,893,665.**1.4 Preparation of Budget 2025:**The 2025 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 11/2024 made provision for an outline budget strategy prepared in consultation with the CPG and preliminary estimates of capital and revenue income & expenditure be submitted to the DHLGH by 16th September 2024. The CPG discussed the 2025 Budget strategy and the variation of the Local Property Tax (LPT) on 1st July 2024 and confirmed the basic assumptions and the broad parameters for Budget 2025. The CPG also discussed the budget at its meeting on the 7th October and agreed an overview of Budget for 2025. 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 from the national budget on other aspects of the council’s income and expenditure for 2025.**1.5 National Budget**:The Estimated Income and Expenditure for 2025 is based on an assumption that State grants and subsidies will be continued at 2025 levels adjusted by known activity changes in 2025 (e.g. Rental Accommodation Scheme, Payment & Availability 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 2025 are still awaited.**1.6 Key dates:*** The Revenue Commissioners and the Minister for Housing, Local Government and Heritage must be notified by **15th October 2024** if the council decides to vary the basic rate of the LPT for 2025.
* In addition, a preliminary estimation of Revenue and Capital Income and Expenditure 2025 was submitted to the DHLGH by **16th September** **2024** to meet EU budgetary timelines.
* Consultation with the CPG about the parameters and content of the 2025 Budget will continue as will its input into the budget strategy in the coming weeks.
* The 2025 National Budget was presented to Dáil Éireann on 1st October and we await details from the DHLGH and other funding bodies who contribute funds for specific operational and capital programmes.
* The 2025 Budget meeting for South Dublin County Council must be scheduled within the prescribed period of 1st November 2024 and 6th December 2024. Once commenced the meeting can be adjourned for up to 14 days from the date of the initial meeting (hence Budget 2025 must be adopted by 19th December). As the South Dublin County Council Budget meeting is scheduled for **Thursday 14th November 2024** the budget must be adopted by **Thursday 27th November 2024** at the latest.

**1.7 Basis of preparation of Report on Income and Expenditure:**This report is being prepared as the Council’s Budget for 2025 is still being drafted and several potential changes are expected but which are not quantified including: 1. The cost of Fire Service 2025
2. The cost towards the provision of Homeless Services
3. General inflation is trending around 2% but many of the components required by the council to provide its services have inflation rates well in excess of this value.
4. Clarification regarding the income and expenditures associated with Uisce Eireann.
5. Clarification regarding the income and expenditures following the national budget decisions

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 2025. 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 2024. This timing also allows for greater certainty in relation to anticipated changes in activity levels and other grant allocations.The table below 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 2025 Income and Expenditure of South Dublin County Council** |
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| ***Estimation of Income and Expenditure South Dublin County Council - LPT Variation*** |
|   |  |  |   |
|   | **Budget 2024** | **Draft Budget 2025** |   |
| **Income** |  |  |   |
| Commercial Rates | -145,432,500  | -151,104,200  |   |
| Local Property Tax | -11,509,600  | -25,033,275  | \* |
| Grants and Subsidies | -113,687,700  | -145,899,000  |   |
| Other Income | -67,691,300  | -71,982,300  |   |
| **Total Income** | **-338,321,100**  | **-394,018,775**  |   |
|   |  |  |   |
| **Expenditure** |  |  |   |
| Payroll Expenses | 92,672,900  | 101,909,000  |   |
| Loan Interest and Principal Paid | 10,857,900  | 10,687,800  |   |
| Social benefits (transfer to households) | 76,940,500  | 107,209,400  |   |
| Capital Grants Paid | 4,273,600  | 8,264,200  |   |
| Other Expenditure | 153,576,200  | 165,948,375  |   |
| **Total Expenditure** | **338,321,100**  | **394,018,775**  |   |
|   |  |  |   |
| \* 2025 LPT income based on 2024 Revenue Allocation with no reduction in basic rate for 2025. Any decision to vary will be reflected in a corresponding change in 'Other Expenditure' |

**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 2024. |
|  |
| **Financial Position of South Dublin County Council** |
|  |
|   | ***at 30/6/2024*** |
| **ASSETS** |  |
| Current Assets |  **€ 694,600,490**  |
| General Revenue Reserve |  **€ 21,693,490**  |
| Loans receivable |  **€ 264,157,779**  |
|   |  |
| **LIABILITIES** |  |
| Current Liabilities |  **€ 149,286,106**  |
| General Revenue Reserve (if Deficit) |  |
| *Loans Payable* |  |
|  Voluntary housing/mortgage loans |  **€ 110,442,794**  |
|  Non mortgage loans |  **€ 33,217,273**  |
|   |  |
| **INDICATORS** |  |
| Ratio of loans payable to revenue income | **42%** |
| Ratio of current assets to current liabilities | **4.7:1** |
| **2.2 Indicators:****Ratio of loans payable to revenue income: 42%**This ratio otherwise known as the gearing ratio reflects the Council’s ability to repay its loans with its revenue income and falls within an acceptable range.**Ratio of current assets to current liabilities: 4.7:1**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 stable financial position.**`****2.3 Current Assets:**The council’s current assets predominantly comprise of its debtors & prepayments and bank assets. These are important from a liquidity position and illustrates the strong financial position that council is in.

|  |  |
| --- | --- |
| **Current assets @ 30/6/2024** | **€m** |
|  |  |
| **Trade debtors & prepayments(net of provisions)** |  **182.20**  |
| **Cash & Bank** |  **509.60**  |
| **Due within 1 Year** |  **2.80**  |
| **Total** |  **694.60**  |

**2.4 Current liabilities:** |
| The principal current liabilities the council has are its creditors and accruals. These liabilities are not significant in the context of the council’s liquidity position. |
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|  |  |
| --- | --- |
| **Current liabilities @ 30/6/2024** | **€'m** |
|  |  |
| **Creditors & Accruals** | **51.3** |
| **Comm. Rates (inc. 2nd Moiety 2024)** | **87.6** |
| **Deferred income** | **1.9** |
| **Due within 1 Year** | **8.4** |
|  |  |
| **Total** | **149.2** |

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| **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 €21.6m at 30th June 2024, which includes a €9.3m surplus for the period to 30th June 2024 plus the Revenue Reserve of €12.3m reported in the balance sheet to 31st December 2023. The surplus to 30th June 2024 does not take account of the seasonal nature of operations & services and is not indicative 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 (GGB). 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:**The Finance (Local Property Tax) (Amendment) Act 2021 introduced a new structure for LPT from 2022 onwards. LPT for the years 2022 to 2025 will be based on property values on 1 November 2021. Residential properties are valued for LPT purposes, by their owners under self-assessment, into one of 20 valuation bands.The following information was provided by the Revenue Commissioners in relation to property valuation bands in the South Dublin administrative area for 2024. It indicates that 55.4% of properties registered to the South Dublin administrative are in valuation bands less than €350,000. In 2024 55.4% of liable persons would have paid €268 or less based on the 15% reduction applied (i.e. an annual reduction of €47).

|  |  |
| --- | --- |
| **LPT Valuation Bands** | **% of Household** |
| **0-200,000** | 9.90% |
| **200,001-262,500** | 16.20% |
| **262,501-350,000** | 29.30% |
| **350,001-437,500** | 19.80% |
| **437,501-525,000** | 10.40% |
| **525,001-612,500** | 6.60% |
| **612,501-700,000** | 4.00% |
| **700,001-787,500** | 1.60% |
| **787,501-875,000** | 0.90% |
| **875,001-962,500** | 0.40% |
| **962,501-1,050,000** | 0.30% |
| **1,050,001-1,137,500** | 0.10% |
| **1,137,501-1,225,000** | 0.10% |
| **1,225,001-1,312,500** | 0.10% |
| **1,312,501-1,400,000** | 0.20% |
| **1,400,001-1,487,500** | 0.00% |
| **1,487,501-1,575,000** | 0.00% |
| **1,575,001-1,662,500** | 0.00% |
| **1,662,501-1,750,000** | 0.00% |
| **1,750,000+** | 0.00% |

**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:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **LPT Valuation Band**  | **Charge**  | **If LPT Reduced by 5%:** | **If LPT Reduced by 10%:** | **If LPT Reduced by 15%:** |
|  |  | **Amended Charge** | **Savings** | **Amended Charge** | **Savings** | **Amended Charge** | **Savings** |
|  1 – 200,000  | €90 | €86 | -€4 | €81 | -€9 | €77 | -€14 |
|  200,000 – 262,500  | €225 | €214 | -€11 | €203 | -€23 | €191 | -€34 |
|  262,501 – 350,000  | €315 | €299 | -€16 | €284 | -€32 | €268 | -€47 |
|  350,001 – 437,500  | €405 | €385 | -€20 | €365 | -€41 | €344 | -€61 |
|  437,501 – 525,000  | €495 | €470 | -€25 | €446 | -€50 | €421 | -€74 |
|  525,001 – 612,500  | €585 | €556 | -€29 | €527 | -€59 | €497 | -€88 |
|  612,501 – 700,000  | €675 | €641 | -€34 | €608 | -€68 | €574 | -€101 |
|  700,001 – 787,500  | €765 | €727 | -€38 | €689 | -€77 | €650 | -€115 |
|  787,501 – 875,000  | €855 | €812 | -€43 | €770 | -€86 | €727 | -€128 |
|  875,001 – 962,500  | €945 | €898 | -€47 | €851 | -€95 | €803 | -€142 |
|  962,501 – 1,050,000  | €1,035 | €983 | -€52 | €932 | -€104 | €880 | -€155 |
|  1,050,001 – 1,137,500  | €1,190 | €1,131 | -€60 | €1,071 | -€119 | €1,012 | -€179 |
|  1,137,501 – 1,225,000  | €1,409 | €1,339 | -€70 | €1,268 | -€141 | €1,198 | -€211 |
|  1,225,001 – 1,312,000  | €1,627 | €1,546 | -€81 | €1,464 | -€163 | €1,383 | -€244 |
|  1,312,501 – 1,400,000  | €1,846 | €1,754 | -€92 | €1,661 | -€185 | €1,569 | -€277 |
|  1,400,001 – 1,487,500  | €2,065 | €1,962 | -€103 | €1,859 | -€207 | €1,755 | -€310 |
|  1,487,501 – 1,575,000  | €2,284 | €2,170 | -€114 | €2,056 | -€228 | €1,941 | -€343 |
|  1,575,001 – 1,662,500  | €2,502 | €2,377 | -€125 | €2,252 | -€250 | €2,127 | -€375 |
|  1,662,501 – 1,750,000  | €2,721 | €2,585 | -€136 | €2,449 | -€272 | €2,313 | -€408 |
| Rate = 0.1029 (fixed charge in first and second bands) |   |   |   |   |
| The LPT charge for properties with a market value greater than €1.75 million is calculated from the valuation of the property rather than from a valuation band. The LPT charge for these properties is calculated as the sum of: 0.1029% of the first €1.05 million of declared market value of the property, 0.25% of the portion of the declared market value between €1.05 million and €1.75 million, and 0.3% of the portion of the declared market value above €1.75 million. |

**Economic impact on South Dublin if the 2025 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 2025

|  |  |  |
| --- | --- | --- |
| **South Dublin County Council** |  **LPT Allocation 2025** | **Discretionary Allocation**  |
|   |   |   |
| **Local Property Tax 2025** | **€37,049,775** |   |
|   |   |   |
| Reduction to State funding for Housing & Roads Services | -€19,787,517 |   |
| Baseline allocation | -€8,926,059 |   |
| Available for local activities & projects if no change to the local property tax for 2025 | €8,336,199 | €8,336,199 |
|   |   |   |
| Projected cost of a 5% local adjustment factor reduction in 2025 | -€1,852,489 | €6,483,710 |
| Projected cost of a 10% local adjustment factor reduction in 2025 | -€3,704,978 | €4,631,221 |
| Projected cost of a 15% local adjustment factor reduction in 2025 | -€5,557,466 | €2,778,733 |
|   |   |   |
| Projected additional income from a 5% local adjustment factor increase in 2025 | €1,852,489 | €10,188,688 |
| Projected additional income from a 10% local adjustment factor increase in 2025 | €3,704,978 | €12,041,177 |
| Projected additional income from a 15% local adjustment factor increase in 2025 | €5,557,466 | €13,893,665 |

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| **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 3rd July 2024 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 9th of August 2024 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:A screenshot of a computer  Description automatically generated |

**Submissions:**

A total of 2 submissions were received by the closing date.

The submissions are summarised as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Ref** | **Received** | **Method** | **Location** | **Submission** |
| LPT01 | 09/08/2024 | Online Portal | Whitestown | No Reduction |
| LPT02 | 09/08/2024 | Online Portal | Citywest | No Indication |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Ref** | **Date** | **Method** | **Location** | **Submission** | **Text** |
| LPT01 | 09.08.24 | Online Portal | Whitestown | Reduction | South Dublin Chamber strongly advocates for either the current basic rate to be unchanged or for it to be increased. We continue to see a negative impact on business, our community and on local authority services due to the loss of revenue locally due to negative reductions on the adjustment factor on Local Property Tax.In South Dublin County Local Authority income is heavily dependent on business rates, which can fluctuate and vary significantly over periods of time. Operating with such a narrow tax base creates risk and uncertainty. South Dublin Chamber have advocated for a number of years for the LPT to be fully implemented as part of a more secure funding base .With more stable forms of income, such as local property taxes, which are still underutilised. Such a move would also be welcome by businesses that are struggling with inflation, increased costs and new employment legislation. Higher energy prices, the introduction of statutory sick leave, increased PRSI, new work life balance legislation, increases to the minimum wage, the phase-in of a living wage, pension auto-enrolment and the right to request remote working have all increased the legislative compliance and financial burdens facing businesses. As a result, we are seeing businesses that survived the Covid-19 restrictions being forced to close. Our local elected representatives should ensure that they are supportive of local enterprises and limit the obstacles to their successful trade and operations in our area.Creating more stable revenue models in our county by ending the over reliance on business rates and incrementally increasing the proportion of the Local Authority income that comes from local property taxes (LPT). This should be a longer-term objective that is initiated within the next Local Government term.When the LPT is reduced not only does it place greater pressure on commercial rates, but it is also a loss to our community. The LPT when not fully utilised reduces the amount of revenue available for the many community projects that are needed and reduces the opportunities for the County Council to implement additional and needed services.It is the norm in European countries and in other pats of the world that citizens pay directly for local services and it is part of the democratic contract that citizens both give and receive through local taxation the services their community deserves. There are safeguards with in the LPT system to ensure those who do not have the ability to pay are not required to do so. In our continued support for greater powers for local government comes our call for greater responsibility and part of this responsibility comes in making the right choices for the funding of local services. |
| LPT02 | 09.08.24 | Online Portal | Citywest | No indication | Consideration should be given to home owners where they are required to pay a management fee under the MULTI-UNIT DEVELOPMENTS ACT 2011. Housing estates where SDCC have not completed the taking in charge process are being unfairly taxed and receive no benefit of these funds for their housing estate and local area. If you take Citywest as an example, there has been no funding spent using the LPT funds that I am aware of. I would also like to draw to your attention, where a housing estate has a playground, we (the residents) are required to pay a premium for public liability insurance. Any maintenance and repairs that need to be completed are costly, and difficult to resource parts and suitable company to repair. This is a scenario where the LPT would be useful - if SDCC could either 1. take in charge the playgrounds or 2. provide a service to the local areas (through the managing agent), using funds from the LPT to maintain and repair the playgrounds. |

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 as specified in the resolution after which time the rate of LPT reverts to the initial (basic) rate as defined in the 2012 Act. The next local property liability period is from 1/11/24. A copy of Circular Fin 09/2024 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 growing numbers of our citizens. There are ongoing demands on the Council’s revenue budget to meet operating costs, maintain front line services and maximise social investment opportunities.

At present, no provision has been made for potential and likely increased costs to contribute to regional fire and homeless services. In recent years South Dublin County Council ambitious capital programme has enabled the provision of additional libraries, parks, community facilities, playgrounds and sports pavilions. The operational costs associated with maintaining these facilities to a high standard is putting considerable pressure on the councils’ finances and the need to secure additional funding. Maintaining our expanding housing stock as well as leasing and inspecting private rented accommodation further increases demands on our resources along with the need to deliver increasing service levels for road and footpath repair, tree management, litter management, public realm improvements and community supports. In the 2024 Annual Budget, having regard for the specific requests from members in budget consultations, the timing of the political cycle at the end of the Council term as well as the financial position at that time, we were in a position to allocate significant additional resources to many areas including:

* Housing relets, planned maintenance and supports for households experiencing homelessness
* Outstanding road, footpath and laneway maintenance and repairs and legacy tree and hedge management issues across the County
* Additional litter bins and extra resources to tackle graffiti
* Tallaght Heritage Centre, 12th Lock Masterplan and the Tourism Fund
* Work IQ Innovation Centre operational costs
* the teen space programme, pitch improvement works and various community and recreation facilities

In the pre-2025 budget consultations with members there is a clear desire to maintain these many of these allocations and to increase the level of resources allocated to a range of services. Such potential areas of discretionary additional expenditure for Budget 2025 consideration which do not have direct funding sources identified, include the following:

* Additional road, footpath, laneway, hedge & tree maintenance
* A range of accessibility measures
* Additional litter bins & graffiti removal
* Participatory budgeting
* Pitch improvements, teenspaces, playgrounds
* Transfers to capital to fund:
	+ Tallaght Heritage Centre
	+ 12th Lock Masterplan
	+ Tourism Projects (Hellfire/Lucan House etc.)
	+ Sports & recreational facilities
* Other projects and initiatives signalled by Councillors in budget meetings
* New initiatives by CE / Directors

In addition, it should also be noted that there are vulnerabilities on the income side regarding ongoing receipt of central government funding and supports including recoupment of costs for new wage agreements.

While in recent years this Council has not had to rely on increased Local Property Tax rates, it is increasingly challenging to present a budget to meet the increasing demands on service levels as well as discretionary additional measures while simultaneously restricting income from LPT. It is vital that our financial strategies support such increased costs sustainably to ensure that our service provision continues at an acceptable standard and meet the expectations of our citizens.

In the coming weeks as we finalise the budget, we will further evaluate potential financial scenarios for the year ahead. In this context and working with the Corporate Policy Group I intend to present a budget that builds on the trajectory recent years for service provision and supporting further development of the County, and which reflects the input from Elected Members. As we commence a new Council term, the budget to be presented in November will endeavour to respond to key challenges, including housing and climate change, as well as the growing need for additional services and resources to ensure that South Dublin is an attractive County to live, visit work and do business. Accordingly, I advocate for the maximum LPT increase available to the Council to meet the enhanced service requirements and associated increased costs that will prevail in 2025, as well as to provide for many initiatives proposed by Elected Members.

Colm Ward

Chief Executive

03/10/2024