An Roinn Tithíochta,
Rialtais Áitiúil agus Oidhreachta
Department of Housing,
Local Government and Heritage

20 June 2024

Circular Fin 09/2024

Chief Executive

cc. Director of Finance

Provisional Local Property Tax Allocations 2025 – 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 2025 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 2025 LPT liability year of €552.6m, based on data regarding 2023 LPT liabilities (including deferrals) as provided by the Revenue Commissioners, adjusted for newly liable properties in 2024 and 2025 (as set out in **Appendix B** to this document).

LPT Baseline and Distribution Methodology

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. Following a review of LPT Baselines last year, Local Authority Baselines were increased overall from €353m to €428.4m for 2024 and will remain at this level again in 2025. Accordingly, South Dublin County Council's Baseline for 2025 is €8,926,059.

LPT allocations for 2025 are set in line with the methodology whereby 100% of the estimated LPT yield is retained locally within the local authority area where it is collected.

Equalisation,

As previously, 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.

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Based on its surplus position when expected 2025 LPT receipts are compared to the 2025 Baseline, South Dublin County Council will not be in receipt of equalisation funding in 2025.

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 2025 LPT receipts are compared to the 2025 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 2025

The LPT allocation for South Dublin County Council for 2025 **(pending any decision to locally vary the basic rate)** is **€37,049,775.** As a local authority that will be in receipt of 2025 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 **€8,336,199** 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 **€19,787,516.** Details of the self-funding breakdown between Housing (Capital and Revenue) and Roads 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 2025; 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 2025, 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 2025 LPT liability year, on or before 15 October 2024.

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

LPT Statistics and Property Valuation Bands

2024 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/property-taxes/current-year-stats/index.aspx

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

- Estimated Net LPT Liabilities for 2025 (before the application of any local adjustment factor variation). These figures (based on current 2023 liability data) include deferrals and, in addition, newly liable properties for 2024 as well as an estimate for 2025 (based on the assumption that buoyancy will remain at 2024 levels).

- Properties Newly Liable in 2024 and 2025 (before local variation). Included in the Estimated Net LPT Liabilities amount.

The projected amounts for 2025 LPT do not reflect any local decision to lower/increase the basic rate by the local adjustment factor in 2025, i.e. data provided is pre-variation.

Is mise, le meas,

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Sinéad O'Gorman,
Principal,
Local Government Finance

<u>Appendix A</u>

South Dublin County Council - 2025 LPT Allocation (pending any decision to vary the basic rate)

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LPT Retained Locally 100%	37,049,775
2025 Baseline	8,926,059
2025 Surplus (LPT Retained Locally – 2025 Baseline)	28,123,716
Amount of Surplus to be retained for authority's own use (22.5% of basic rate of LPT income)	**8,336,199**
Balance of Surplus to Self-Fund Housing and Roads Services	19,787,516
2025 Surplus	28,123,716
Amount of LPT Allocation to be retained for authority's own use in 2025 (pending any decision to vary the basic rate)	**17,262,258**
Total LPT Funding to be provided in 2025	**37,049,775**

Value of potential increase or decrease in 2025 LPT Allocation **<u>for every 1%</u>** of variation implemented	+/- 370,498

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Appendix B – Estimate of LPT yield in respect of the 2025 Liability Year, before the application of any Local Adjustment Factor

Local Authority	Estimated Net LPT Liabilities for 2025 (before the application of any local adjustment factor variation)*	Newly Liable Properties in 2024 and 2025 (before any local variation). Included in the Net LPT Liabilities column*
Carlow County Council	€4,122,540	€56,592
Cavan County Council	€4,129,985	€32,324
Clare County Council	€9,963,939	€90,478
Cork City Council	€23,280,755	€419,943
Cork County Council	€34,699,877	€817,214
Donegal County Council	€9,333,886	€101,083
Dublin City Council	€100,900,493	€2,686,782
Dún Laoghaire-Rathdown CC	€63,013,543	€2,119,606
Fingal County Council	€45,836,328	€1,564,054
Galway City Council	€9,349,048	€283,309
Galway County Council	€15,806,419	€250,134
Kerry County Council	€13,686,697	€131,281
Kildare County Council	€27,382,910	€1,766,630
Kilkenny County Council	€7,878,456	€149,622
Laois County Council	€5,531,250	€202,307
Leitrim County Council	€1,929,751	€12,245
Limerick City and County Council	€15,676,454	€295,177
Longford County Council	€2,202,856	€17,835
Louth County Council	€10,684,712	€293,689
Mayo County Council	€9,392,210	€92,879
Meath County Council	€21,402,920	€715,033
Monaghan County Council	€3,361,696	€45,036
Offaly County Council	€4,987,624	€91,247
Roscommon County Council	€3,937,151	€32,669
Sligo County Council	€4,902,924	€53,161
South Dublin County Council	€37,049,775	€2,094,391
Tipperary County Council	€11,255,219	€73,319
Waterford City & County Council	€10,288,915	€257,451
Westmeath County Council	€6,866,930	€131,048
Wexford County Council	€12,834,389	€271,165
Wicklow County Council	€20,946,669	€823,420
Total	**€552,636,318**	**€15,971,125**

*Note: The estimated €552.6m (pre-variation) yield for the 2025 LPT liability year is based on the Revenue Commissioners' latest yield estimates of €529.7m (post-variation) for the 2023 liability year, including any deferrals. The 2025 estimated yield includes deferrals (based on 2023 liability data) and, in addition, newly liable properties for 2024 and an estimate for 2025 (based on the assumption that buoyancy will remain at 2024 levels). The effect of the application of any local adjustment factor is excluded in the table above.

Circular Fin 10/ 2024

Members of Local Authority

Chief Executive

Mayor/Director General (Limerick City and County Council)

cc. Director of Finance

12th July 2024

Update re Local Government Rates and Other Matters Act 2019 as amended

Section 9 and Section 15 Regulations

I am directed by the Minister of State at the Department of Housing, Local Government and Heritage to refer to the Local Government Abatement of Rates in respect of Vacant Properties Regulations 2024 and the Local Government Waiver of Rates Regulations 2024 which come in to effect from 10 July 2024. Details in relation to these and related matters follow.

Status of the Local Government Rates and Other Matters Act 2019

Circular Fin 10/2023 and Circular Fin 12/2023 outlined the background of the enactment of the Local Government Rates and Other Matters Act 2019 and set out the sections of the Act which were commenced on 6 November 2023 and 1st January 2024 respectively.

The Act provided for new rates vacancy abatement (section 9) and rates waiver (section 15) schemes, to be decided by local authority members in order to promote national and/or local policy objectives. New regulations in relation to these sections are in operation from 10th July 2024. These new provisions will add to the suite of options already available to local authorities to support local businesses and ratepayers.

The approval of these schemes will be a reserved function of the elected members.

Section 9 Provision for abatement of rates in respect of vacant property

Section 9 of the Act commenced on 6th November 2023. It allowed local authorities to adopt schemes for the abatement of rates in respect of vacant property for 2024. It provides that a local authority may provide a temporary abatement of rates for vacant properties.

The definition of vacant property for the purposes of section 9 does not deviate from the definition of vacant property in operation in local authorities under previous refund of rates on vacant property legislation and court law. Section 9 provides for the making of a scheme applicable to

- liable persons or classes of liable persons in respect of
- class or classes of vacant property
- for such period or periods

as may be specified.

Vacancy refund provisions were previously provided for in a number of now repealed enactments. Section 9 allows for greater flexibility and customisation of schemes than heretofore, allowing them to be made for class or classes of liable persons or properties, and to be used as a tool to discourage commercial vacancy. Housing for All includes a commitment to commence section 9 of the Local Government Rates and Other Matters Act 2009 with a view to empowering Local Authorities to offer rates based incentives for the conversion of suitable vacant commercial properties to residential use. This commitment was fulfilled by the commencement of section 9 on 6 November 2023.

Due to the timeframe involved in commencing section 9, it was not possible to regulate certain aspects which would normally apply in the making of a scheme for the abatement of rates on vacant property such as the holding of consultation with the public on proposed schemes and the preparation by the local authority of a report on the financial effect of a proposed scheme for 2024. However, the Local Government Abatement of Rates in respect of Vacant Properties

Regulations 2024 (S.I. No. 348 of 2024) came into operation on 10th July 2024 to address these aspects of Section 9.

Summary of Section 9 Regulations Provision for abatement of rates in respect of vacant properties

Regulations 1 and 2 provide for the citation and definition of the terms used.

Regulation 3 outlines parameters within which schemes may be made.

Regulation 4 requires that a report estimating the financial effect of making a vacancy abatement scheme in the local authority area is prepared under the direction of the chief executive (or director general for Limerick City and County Council). The report may set out the potential impact of the scheme on a liable person or classes of liable persons, the potential impact on revenue during the next local financial year and any other information the chief executive considers relevant. It is also provided that a report is not required if a local authority is renewing, without amendment, an existing vacancy abatement scheme.

Regulation 5 requires the local authority to consult with the public in its administrative area in relation to its consideration of the making of a vacancy abatement scheme and to publish on its website a Notice of Consideration of a Scheme for the Abatement of Rates in respect of Vacant Properties providing a period of at least 14 days during which written submissions will be accepted. A report summarising the written submissions received from the public consultation shall be prepared under the direction of the chief executive (or director general for Limerick City and County Council). It is also provided that public consultation is not required if a local authority is renewing, without amendment, an existing vacancy abatement scheme.

Regulation 6 provides that a vacancy scheme, or an amendment of an existing vacancy scheme, is approved at the local authority budget meeting and that the documents referred to in Regulations 4 and 5 are considered before an approval of a scheme. The chief executive will send a copy of the documents to each council member not less than seven days before the meeting. A local authority may make, amend, reject or renew a proposed scheme.

The schedule prescribes the template notice to be published by a local authority for the purposes of setting out the period within which submissions will be accepted in respect of public consultation.

The Minister has not specified in the Regulations the maximum amount of abatement of rates that may be granted by a local authority under in a vacancy abatement scheme. Therefore, it is at a local authority's discretion to determine the maximum amount of abatement of rates in a particular scheme i.e. ranging from zero abatement where full rates are due to 100% abatement where zero rates are due. However, councils are, at this time, unrestricted in determining the amount of abatement available in a particular scheme.

Section 9 offers Councils the scope to introduce rates abatement on vacant property schemes for a wide variety of purposes. It is noted that legal provision to provide vacancy refund has existed since 1946, local authorities have historically had refund of rates on vacant properties policies and priorities and have set a vacancy refund percentage each year. Those existing policy objectives can continue within the legal structure of the newly commenced section 9 and these associated regulations. For example some local authorities (particularly in urban areas) have in recent years incrementally decreased the rates refund on vacant property in order to encourage re-use/dis-incentivise vacancy. Local authorities in other areas such as the western seaboard, have continued to offer 100% refunds on vacant property in recognition of difficulty in some instances of finding suitable tenants for those properties. The scope of section 9 allows continuation of these policy objectives.

Examples of potential schemes

The vacancy provisions in section 9 of the Act, now also allow scope for targeted policies in respect of vacant commercial properties. Consideration can be given to the prevailing local economic environment and prevalence of commercial vacancy. Vacancy abatement schemes may be tailored to particular towns, zones within towns, types or categories of vacant property or circumstances of the vacant property ratepayer.

A local authority may wish to set a standard level of abatement for the local authority area generally while introducing a scheme to allow greater or lesser abatement in certain circumstances. For example, a greater level of abatement could be applied to properties which are being prepared for re-use or properties undergoing conversion to residential use. Such a scheme may complement any existing incentives by the local authority to encourage the re-use of vacant property. Or alternatively a local authority may wish, for example, to introduce a scheme to remove all rates abatement for vacant properties within prescribed zones such as high streets, thereby discouraging vacancy.

Section 15 Scheme for waiver of rates

Section 15 provides for local authorities to make schemes to support local and national policy objectives, by waiving rates in certain circumstances. Section 15 commenced on 1st January 2024. This is another provision which increases the capacity of local authorities and elected members to address important issues and challenges particular to their local areas and to enable them to support specific objectives to promote community, social and economic development, urban planning or rural regeneration. The elected members will have discretion to introduce waiver schemes that support objectives outlined in either county development plans, local area plans, local economic and community plans or indeed the National Planning Framework.

Summary of Section 15 Regulations Rates waiver schemes

The Local Government Waiver of Rates Regulations 2024 (S.I. No. 349 of 2024) came into operation on 10th July 2024.

Regulations 1 and 2 provide for the citation and definition of the terms used.

Regulation 3 sets parameters within which schemes may be made, including that:

- a proposal to recommend a waiver scheme (or an amendment to a waiver scheme) must be put before a Strategic Policy Committee (SPC) and must be put before the committee by the end of June in a given year
- an SPC may endorse, reject or renew a proposal as it sees fit
- a local authority shall not be permitted to have in operation more than one waiver scheme in any given local financial year
- a transitory provision for 2024 is provided (in view of the local elections in 2024 and the timeframe for establishment of new SPCs) which extends the time period by which a proposal must be put to an SPC to the end of September, for 2024 only.

Regulation 4 requires that a report estimating the financial effect of making a rates waiver scheme in the local authority area is prepared under the direction of the chief executive (or director general for Limerick City and County Council). The report shall set out the potential impact of the scheme on ratepayers, the potential impact on revenue during the next local financial year and any other information the chief executive considers relevant. It is also provided that a report is not required if a local authority is renewing, without amendment, an existing rates waiver scheme.

Regulation 5 requires the local authority to consult with the public in its administrative area in relation to its consideration of the making of a rates waiver scheme and to publish on its website a statutory Notice of Consideration of a Scheme for the Waiver of Rates providing a period of at least 14 days during which written submissions will be accepted. A report summarising the written submissions received from the public consultation shall be prepared under the direction of the chief executive (or director general for Limerick City and County Council). It is also provided that public consultation is not required if a local authority is renewing, without amendment, an existing rates waiver scheme.

Regulation 6 provides that a rates waiver scheme is approved at either a monthly meeting of a local authority prior to the statutory budget meeting or at the local authority budget meeting itself. This is to facilitate proper consideration of a waiver scheme separate to the statutory budget meeting, if a local authority considers it appropriate. A local authority may make, amend, reject or renew a proposed scheme.

Regulation 7 provides that the funding of a waiver scheme (whether a new or amended or the renewal of a scheme) may be approved at the annual budget meeting.

Regulation 8 provides that if a rates waiver scheme is made by the Council the local authority shall publish details of the scheme and the procedure for making an application for waiver of rates under the scheme on its website.

The schedule prescribes the template notice to be published by a local authority for the purposes of setting out the period within which submissions will be accepted in respect of public consultation.

Role of Strategic Policy Committee

The Regulations provide that a rates waiver scheme shall not be made by a local authority unless it is proposed to the authority by a strategic policy committee (SPC) established under section 48 of the Local Government Act 2001 and any proposal in respect of a local financial year to recommend a waiver scheme shall be made to the committee before **30 June** in any year before that financial year. An SPC will have responsibility in examining, probing and developing the proposed waiver scheme before it is brought for approval to the full council. This examination will include identification of which objectives in local or national plans are being supported, and deciding eligibility e.g. the area /the category of business who would be entitled to apply.

Timeframe for 2024 only

The regulations require a public consultation process of 14 days and a financial report to be prepared for the elected members before any scheme could be approved by them. It is recognised that the requirement for a proposal to be made to an SPC before 30 June in any year provides significant challenges for Budget 2025. Therefore, the timeframe by which a waiver scheme proposal must be put to an SPC has been extended to **30 September for 2024** only, to allow for the late formation of SPCs. This will allow five to six weeks to undertake the necessary consultation, and to develop, consider, and approve a scheme prior to the 2025 budgetary period which will begin on 1 November, and be extended a week longer than usual until 6 December 2024. It is acknowledged that even within the extended timeframes provided for 2024 only that it may be challenging to make schemes under the section 15 regulations before the 2025 budget meeting. In local authorities where the relevant SPCs will have been established in time, the Minister encourages that schemes under section 15 be considered and made for the 2025 financial year.

It is noted that some local authorities have introduced locally designed business incentive schemes to support SME ratepayers. Such schemes rely upon Part 9 of the Local Government Act 2001 which provides that the functions of local authorities include providing grants, loans guarantees or other financial aid to promote the interests of the local community, including economic interests. The provision under Part 9 remains in force and can continue to be used, even though section 15 has been commenced. This means that for 2025, where it has not been possible within the extended timeframes to make a scheme under the new section 15 regulations, local authorities can continue to use the provision under Part 9 of the Local Government Act 2001.

Examples of potential schemes

Section 15 allows scope for targeted rates waiver policies to support the implementation of the National Planning Framework, local authority development plans; local area plans; or local economic and community plans. It is open for each local authority to design waiver schemes as they see fit as long as they support any of the above policies. A local authority may decide to offer a temporary partial waiver to new business startups, or to businesses newly occupying previously vacant premises, or to incentivise particular retail types such as charity shops to locate in areas other than the main shopping street, or if their development plan intends to attract particular industries to the area (film industry, green energy solutions, for example) a local authority may decide to partially waive rates for those industries for a period. It is essential that schemes are made within the parameters of section 15 and that schemes identify which objectives from any of the following are being supported by the scheme:

- National Planning Framework,
- local authority development plans;
- local area plans;
- or local economic and community plans.

Queries in respect of this circular should be forwarded to Deborah Byrne Deborah.Byrne@housing.gov.ie and Barry Cooke Barry.Cooke@housing.gov.ie

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Sinéad OG

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Sinéad O'Gorman
Principal Officer
Local Government Finance
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An Roinn Tithíochta,
Rialtais Áitiúil agus Oidhreachta
Department of Housing,
Local Government and Heritage

Circular Fin 11/2024

Director of Finance,

15 July 2024

Re: 2025 Budget meeting and other budgetary matters

Dear Director of Finance,

In accordance with the powers conferred by section 103 of the Local Government Act 2001 (as amended), the Local Government (Financial and Audit Procedures) Regulations 2014 and the Local Government (Financial and Audit Procedures) (Amendment) Regulations, I am directed by the Minister to refer to the 2025 Budget meeting and other budgetary matters.

1. Budget 2025 - Prescribed Periods

The prescribed periods that apply for the holding of **2025 Budget meetings** are as follows:

All local authorities and joint bodies: 01 November 2024 to 06 December 2024.

The prescribed periods that apply for the holding of a meeting of a **municipal district** to consider the draft budgetary plan are as follows:

All local authorities: 14 October 2024 to 15 November 2024.

As set out in the Local Government (Financial and Audit Procedures) (Amendment) Regulations 2015 the meeting with a municipal district must conclude no later than 10 days prior to the local authority budget meeting.

2. Consultation on main budget at Municipal District/Local Area level and Schedule of Municipal District Works.

2.1 Consultation on main budget at Municipal District/local area level

Elected members perform a range of important reserved functions at municipal district level including consideration of draft budgetary plans for the district and amendment of same; adoption of a schedule of works for the district and adoption of statements on the economic elements and the community elements of the Local Economic and Community Plan for the

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consideration of the local authority. The municipal district system maximises efficiency while retaining a high degree of local, community-focussed decision-making, implementation and democratic representation, in line with the principle of subsidiarity. In this context, you are asked to ensure that Draft Budgetary Plans fully reflect the range of municipal district functions.

2.2 General Municipal Allocation and Draft Budgetary Plan

In keeping with these principles, and as required by Section 102(4A)(a) of the Local Government Act 2001 (as amended), local authorities are required, as part of the budgetary process, to ensure there is formal consultation with municipal district members for each municipal district in the council's functional area, in the preparation of the draft local authority budget. It is open to each local authority (in consultation with the relevant municipal district) to agree the precise format this consultation may take (e.g. Budget Workshops; Budget Strategy Meetings etc.). The consultation should afford members the opportunity to input to the development of the local authority budget and identify particular priorities for that municipal district for the year ahead, for consideration within that overall budget. Where possible, this process should be informed by data in relation to the expenditure levels in each municipal district in the current year. Local authorities are also requested to ensure that the consideration of Draft Budgetary Plans be appropriate and meaningful, having due regard to the role of the Municipal District. Your attention is drawn to the template for such plans, (Appendix 3 of Circular Fin 05/2014) which should be customised or amended as appropriate.

This consultation should also apply to equivalent sub-structures (local area level) within the city authorities, Cork, Dublin and Galway, and the 3 county authorities within the Dublin area, Dún Laoghaire-Rathdown, Fingal and South Dublin, again leaving the exact format to individual authorities in consultation with the relevant members.

In the case of Limerick City and County Council, it is important to note that; in accordance with the Local Government (Mayor of Limerick) and Miscellaneous Provisions Act 2024, the Mayor is responsible for both preparing the budget and its presentation to the elected Council for approval (under Sections 102 and 103 of the Local Government Act 2001, as amended).

2.3 Schedule of Municipal District Works

Section 103A of the Local Government Act 2001 (inserted by section 58 of the Local Government Reform Act 2014) provides that, following the adoption of the annual budget, a schedule of proposed works of maintenance and repair to be carried out during the financial year in each municipal district shall be prepared, for adoption by the municipal district members. The Schedule of Municipal District Works (SMDW) is, in effect, a plan of works that prioritises and apportions the use, within each municipal district, of funding provided in the overall local authority revenue budget for particular purposes. Consideration should also be given to replicating this approach in the city authorities and the 3 county authorities within the Dublin area.

In the case of local authority areas which do not have municipal districts it is considered that it would be good practice to prepare a schedule of works in any event to identify where works will be prioritised in the local authority area during the year.

Local authorities are reminded that:

- Preparation and adoption of the SMDW is a mandatory requirement.
- The SMDW must be prepared under the direction of the Chief Executive[1].
- The SMDW is to be prepared as soon as may be following the adoption of the annual budget, for consideration and adoption by resolution, with or without amendment, by the municipal district members.
- If not adopted by the municipal district members, the SMDW reverts to the full council for the elected members consideration and adoption, with or without amendment.

By virtue of being adopted at district level, the SMDW represents an important enhancement of subsidiarity in local government. The provision is fundamentally important to the new system of governance at sub-county level, giving effect to measures set out in the *Government's Action Programme for Effective Local Government, Putting People First.*

The SMDW is among the most important reserved functions introduced by the Local Government Reform Act 2014.

Detailed guidance on the preparation and adoption of the SMDW was issued in Circular LG 27/2014 (FIN 21/2014) which local authorities are requested to adhere to.

3. Report to the Department of Finance - Preliminary estimate of capital and current income and expenditure for the forthcoming financial year: Requirement for Expenditure Benchmark purposes

Fin 05/2014 and Fin 08/2015 set out the requirement that each local authority provide a report to the Department setting out its preliminary estimate of current and capital income and expenditure for the forthcoming financial year. This requirement remains in place for 2024 with completed returns to be submitted to the Department **no later than Monday 16th September 2024.** The local government sector data will then be consolidated by the Department of Finance with information from all parts of general government. As the date of preparation of this report predates the budget meeting, it should include the best estimate of revenue and capital income and expenditure to the end of the current year and for the next financial year 2025. Any known policy changes impacting on the income and expenditure categories between 2026 and 2029 should be noted on the template.

[1] In the case of Limerick City and County Council, in accordance with section 103A (1) of the Local Government Act 2001 (as amended), the Mayor has responsibility regarding the preparation of the SMDW as it relates to Limerick.

This report is important for 2025 as it will form the basis of assessing the sector's impact on the Expenditure Benchmark rule as required under the Stability and Growth Pact.

Implications for expenditure management of the local government sector

The Local Government Sector is subject to the public expenditure rules set out as part of the management of the Stability and Growth Pact similar to the rules applying to all Government Departments by way of Ministerial ceilings. Local authorities are included in General Government Expenditure and therefore expenditure can only grow beyond the rates set if extra revenue raising measures are taken (e.g. Government raise taxes or local authorities increase local charges).

Under the Expenditure Benchmark component of the fiscal rules, unplanned expenditure giving rise to the need for a proposed increase to expenditure ceilings cannot be funded by cyclical (i.e. non-permanent) revenues but, rather, through expenditure savings and efficiencies elsewhere or via discretionary revenue measures. The overall allocation of expenditure ceilings by sector remains a matter for Government as part of the budgetary process.

Own resource *expenditure at local government level will impact on these expenditure rules, however any revenue raising measures taken by the sector can be kept and spent within the sector.*

Own resource expenditure can be broadly defined as expenditure arising from income generated from a local authorities own sources; this includes income generated from commercial rates, goods and services, income from Local Property Tax (excluding any self-funding element) and any non-mortgage borrowing that may be availed of by the local authority.

Grants to local authorities from a Government Department or agency are accounted for in that Department's expenditure ceiling and therefore not accounted for as own resource expenditure by the local authority.

The table to be completed as per Appendix 1 is attached in a spreadsheet accompanying this Circular, and should be sent to tina.somers@housing.gov.ie no later than **Monday 16th September 2024**.

4. Commercial Rates Regulations

Section 9 and Section 15 of Local Government Rates and Other Matters Act (LGROMA) 2019
This circular (Fin 11/2024) should be read in conjunction with Circular Fin 10/2024 in relation to new regulations that are now in place for Budget 2025 onwards for Section 9 and Section 15 of LGROMA 2019.

5. Statutory Budget Book

Format of 2025 statutory budget book
The budget pack will issue in due course to all local authorities as per the usual timeframe.

Reminders/Changes

Table A

- Commercial rates should be presented gross.
- The text "Value of Base Year Adjustment" is no longer required and is deleted from Table A.
- The text "Amount of Rates to be levied (Gross of BYA) " is no longer required and is deleted from Table A.

Table C.

- The text in Table C is no longer required and is now deleted. However Table C remains, but left blank (in order to avoid confusion).

Table B and Table F.

- Text update to include Directly Elected Mayor (Limerick City and County Council)

Local authorities are requested, insofar as is possible, to exercise restraint in adopting the ARV, notwithstanding the requirement to adopt budgets which are sufficient to meet the expenditure arising.

6. Submission of budget information

A CSV file, one signed hard copy and a signed soft copy (pdf) of the adopted budget should be submitted to Niamh Kinsella (niamh.kinsella@housing.gov.ie) at the Department of Housing, Local Government and Heritage, Carricklawn, Newtown Road, Wexford Town, Y35 AP90. The submission of information to the Department is required by **Tuesday 31st December 2024**.

To reduce the level of queries, the following checks should be completed prior to submission:

- All checks on the soft copy budget check sheets are at 0
- CSV files should be checked for format errors, such as the Local Authority code number, incorrect line errors, commas, etc.
- Soft copy budget files should be submitted with each CSV file
- All soft copy budget files should be compared to hard copy budget books submitted to ensure no inconsistencies
- All CSV figures should be rounded to whole numbers; and
- All submissions to be checked and submitted by the contact person for the local authority's budget files in event of any queries arising

Is mise, le meas,

Sinéad O'Gorman
Principal Officer
Local Government Finance

An Roinn Tithíochta,
Rialtais Áitiúil agus Oidhreachta
Department of Housing,
Local Government and Heritage

17 October 2024

Circular Fin 12/2024

Chief Executive

cc. Director of Finance

Local Property Tax Allocations 2025 – South Dublin County Council

A Chara,

I am directed by the Minister for Housing, Local Government and Heritage to inform you that the revised Local Property Tax (LPT) allocations for 2025, taking into account any local decision to vary the basic rate, have been calculated and to confirm your authority's allocation as set out below in accordance with previous Circular Fin 09/2024.

Local Property Tax Allocation to South Dublin County Council in 2025

As South Dublin County Council has notified the Minister of the passing of a resolution to vary the basic rate of LPT downwards by 15% for 2025, the 2025 allocation has decreased to €31,492,308 (a decrease of €5,557,467 from the pre-variation allocation of €37,049,775).

Self-Funding

As advised in Circular Fin 09/2024, some local authorities, including South Dublin County Council, will receive greater levels of funding in 2025 as a result of local retention of LPT compared to their 2025 baseline. Part of the surplus will be required to fund services in the housing and roads areas thereby replacing Central Government funding for some of these services. Authorities are required to continue providing such services regardless of the changed approach to funding.

Bóthair an Bhaile Nua, Loch Garman, Y35 AP90
Newtown Road, Wexford, Y35 AP90
LGFinance@housing.gov.ie
www.gov.ie/housing

Accordingly, based on its surplus position when expected 2025 LPT receipts are compared to the 2025 baseline, South Dublin County Council will be required to self-fund some services in Housing and Roads areas to the value of €19,787,516 as follows:

Housing	€6,900,657 current (revenue)
Housing	€10,000,000 capital
Roads	€2,886,859 current (revenue)
Total	€19,787,516

The Department's Housing Finance and Delivery Co-ordination Section will notify the Council in early January 2025 of the arrangements for the application of housing self-funding in 2025, including the list of applicable programmes.

The Department of Transport has policy responsibility for regional and local roads and will liaise with your Council as appropriate in that context.

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.

Any queries in relation to self-funding should be directed to Housing Finance at selffunding@housing.gov.ie for housing and regionalandlocalroads@transport.gov.ie for roads.

Accounting treatment of LPT

The accounting treatment in respect of 2025 LPT allocations remains the same as for 2024. Reference should be made to Circulars Fin 08/2016, Fin 04/2017 and Technical Memo release 119 issued by the Department on 9 May 2017.

As outlined in circular Fin 06/2023; Appendix 2 of the statutory budget publication includes an additional annotation to show the equalisation contribution amount in respect of the Local Property Tax allocation. Please note that this annotation is not relevant for those authorities in a surplus position.

LPT information to the Public

As LPT helps fund local services, local authorities are encouraged to consider how best to communicate to the public regarding how funds are spent.

Is mise, le meas,

Sinéad O'G

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Sinéad O'Gorman,
Principal,
Local Government Finance