

# **ANNUAL BUDGET MEETING OF SOUTH DUBLIN COUNTY COUNCIL**

**14<sup>TH</sup> NOVEMBER 2024**

## **Report on the Public Consultation Process and the Financial effects in relation to the consideration of making of an Abatement Scheme in Respect of Vacant Properties**

### **1.0 Introduction:**

Section 9 of the Local Government Rates and Other Matters Act 2019, as amended by the Historic and Archaeological Heritage & Miscellaneous Provisions Act 2023, provides for new rates vacancy abatement schemes to be decided by local authority Members in order to promote national and/or local policy objectives. Section 9 of the Act commenced on 6th November 2023. It provides that a local authority may provide a temporary abatement of rates for vacant properties. New regulations in relation to this section came into operation from 10th July 2024.

The approval of such a scheme is a reserved function of the elected members.

### **2.0 Vacancy:**

To qualify for vacancy abatement, the premises must be unoccupied and vacant for one of the following reasons:

1. for the purpose of the execution of additions, alterations (including demolition or redevelopment) or repairs thereon, or
2. because the liable person is bona fide unable to obtain a suitable tenant at a reasonable rent therefor.

The Ratepayer is required to complete the application form and proof of availability for letting from an estate agent or proof of refurbishment works from construction company.

### **3.0 Public Consultation:**

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.

This Council commenced the public consultation process on the 8th August 2024 by the placing of a notice in the national newspapers and on the Council's website, inviting submissions from the public, with a closing date of 22nd 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 in Appendix 1

### **3.1 Submissions:**

A total of 1 submission was received by the closing date.

The submission is summarised as follows:

<b>Ref</b>	<b>Received</b>	<b>Method</b>	<b>Location</b>	<b>Submission</b>
RAS01	15/08/2024	Online Portal	Clondalkin	Reduce 75% payment requirement to 25%

Table A: Submissions Received

Details of the submissions are given in Appendix 2.

### **4.0 Financial Impacts:**

Vacant, and sometimes semi-derelict properties, have a negative impact on the vibrancy and economic strength of an area. The Local Authority needs to incentivise the productive use of commercial properties and deter vacancy and dereliction. Where necessary, the Local Authority needs to encourage owners of vacant properties to seek alternative use of premises, where its operation as a commercial unit is no longer viable.

Vacant commercial properties occupy areas in which the Local Authority has invested considerable sums through the provision of roads, footpaths, public lighting, public realm etc... and it is important that the public receives a return on their investment. A refund for vacant properties reduces that return on investment from the public purse.

South Dublin County Council has been reducing the level of Rates refund for vacant premises over the last number of years and proposes to reduce the level of refund to 0% for 2025.

<b>Year</b>	<b>Vacancy Rate</b>
<b>2017</b>	<b>100%</b>
<b>2018</b>	<b>75%</b>
<b>2019</b>	<b>50%</b>
<b>2020</b>	<b>50%</b>
<b>2021</b>	<b>50%</b>
<b>2022</b>	<b>50%</b>
<b>2023</b>	<b>50%</b>
<b>2024</b>	<b>25%</b>
<b>2025 Proposed</b>	<b>0%</b>

Table B: Vacancy Refund Rate Applicable 2017 -2025(P)

As the Local Authority has reduced the level of refund for vacant properties, it has resulted in a much-reduced requirement in the annual budgets to meet the refund expenditure, as can be seen from the table below.

Year	Vacancy Rate applied	Budget
2016	100%	€13,200,000
2017	100%	€13,000,000
2018	75%	€13,000,000
2019	50%	€10,000,000
2020	50%	€7,750,000
2021	50%	€7,946,700
2022	50%	€4,300,000
2023	50%	€3,250,000
2024	25%	€1,625,000

Table C: Vacancy Provision Budgets 2016 - 2024

The reduced vacancy provision has made available, significant additional resources to the Elected Members to provide much needed services to the public, including additional resources for housing maintenance, tree management & maintenance, grass cutting, footpath repair etc.

It should also be noted that as the vacancy refund rate reduced, so has the number of vacancy application requests submitted to the Council for processing.

Year	Number of vacancy applications processed
2016	1663
2017	1707
2018	1553
2019	901
2020	222
2021	248
2022	346
2023*	725
2024 to date	167

Table D: Vacancy Refund Applications Processed

\*The spike in the 2023 application numbers is attributed to the regularising of accounts following the Covid period.

As part of the deliberations by the Corporate Policy Group in framing the 2025 budget and listening to the views of the Elected Members as part of the pre-budget consultations, a 0% refund rate was discussed and was viewed favourably. Also, from discussions with representatives of the commercial sector, there is an acceptance that given the prevailing economic circumstances, property should not remain vacant for any extended period and all efforts should be made to encourage their productive occupation.

A 0% vacancy refund rate for 2025 has enabled the Council to reduce the provision for vacancy refunds in its 2025 budget to €800,000, on the basis that circa 50% of the claims processed in any year refer to the preceding year. It will also mean that the

€800,000 provided in the 2025 budget can be further reduced in the coming years, again freeing up resources to meet the demands for Council services. For an individual ratepayer, a reduction to a 0% refund rate would result in them paying €1,000 in rates rather than €750 for every €1,000 included in their current rate demand.

## **5.0 Recommendation:**

This report is submitted summarising the submissions received from the public consultation and estimating the financial effect of making a vacancy abatement scheme. The report shall be considered by South Dublin County Council prior to the approval of an abatement scheme by the Council, at the annual Budget Meeting held under Section 103 of the Local Government Act 2001 on the 14<sup>th</sup> November 2024, for the local financial year 2025. I recommend that the Elected Members of the Council approve a 0% refund rate in respect of vacant properties in the South Dublin County administrative area.

Colm Ward

Chief Executive

06/11/2024

## Appendix 1

### Notice of Consideration of a Scheme for the Abatement of Rates in Respect of Vacant Properties

Section 9 of the Local Government Rates and Other Matters Act 2019 makes specific provision that elected members of a local authority may make a scheme providing for the abatement of rates in respect of vacant properties, and that such a scheme shall be approved at the local authority budget meeting, concerning the local financial year to which the scheme shall apply.

South Dublin County Council will consider a scheme providing for abatement of rates in respect of vacant properties, applying in the 2025 local financial year.

South Dublin County Council welcomes written submissions from the public on this matter specifically covering the potential effects of a scheme providing for the abatement of rates in respect of vacant properties on businesses, individuals and on local authority services.

Submissions must be received **by noon on the 22<sup>nd</sup> of August 2024** and be made by either completing an on-line survey at <https://consult.sdublincoco.ie> by post to The Administrative Officer, Commercial Rates Section, Finance Department, South Dublin County Council, County Hall, Tallaght, Dublin 24, D24 A3XC

or

By email to [ratesdept@sdublincoco.ie](mailto:ratesdept@sdublincoco.ie)

Colm Ward  
Chief Executive  
8<sup>th</sup> August 2024

All comments, including the names and addresses of those making comments, submitted to the Council regarding this consultation process will form part of the statutorily required report to be presented to a meeting of South Dublin County Council. Accordingly, they will also be included in the minutes of that meeting and consequently will appear on the Council's Website.

## Appendix 2

### Details of submissions received.

Ref	Date	Method	Location	Submission	Text
RAS01	15.08.24	Online Portal	Clondalkin	Reduce 75% payment requirement to 25%	We are a social enterprise based in Clondalkin and operate a start up business park on behalf of the SDCC. The increase over the last few years from 25% to 75% rates on units that are Vacant or undergoing significant refurbishment has had a big impact on our cashflow (€3,620 in 2023) and it also takes up considerable resources in tracking the rates bills, communicating back and forth with the rates department in getting the bills accurate and up to date before the new start up business joins. I would kindly request that the 75% rate be reduced to the original 25% in the next budget