



**NOTIFICATION TO ATTEND MEETING OF THE FINANCE SPC  
TO BE HELD IN THE COUNCIL CHAMBER, CITY HALL, DAME STREET, DUBLIN 2.  
ON THURSDAY 17 MAY 2018 AT 3.00 PM**

**AGENDA**

**THURSDAY 17 MAY 2018**

**PAGE**

1	Draft Minutes of meeting held on 15th March 2018	<b>3 - 8</b>
2	Correspondence:	
	a) LPT Review - Letter issued from Chair Cllr. McGinley to Budgetary Oversight Ctte on 23/03/2018	<b>9 - 10</b>
	b) LPT Review - Response from Chair of Budgetary Oversight Ctte on 17/04/2018	<b>11 - 12</b>
	c) LPT Review - Letter from Chair Cllr. McGinley to Cross Dept. Group on 09/04/2018	<b>13 - 14</b>
	d) Rates Legislation - Letter to Minister E. Murphy on 26/04/2018	<b>15 - 16</b>
	e) EURO 2020 - Letter to Richard Shakespeare on 08/05/2018	<b>17 - 18</b>
3	Review of Vacant Commercial Properties - Presentation from R. Shakespeare, ACE, Planning & Property Development Department.	<b>19 - 28</b>
4	Development Contributions Report 2016-2020	<b>29 - 36</b>
5	Annual Financial Statement 2017	<b>37 - 56</b>
6	Debtor Balances Quarter 4 2017	<b>57 - 62</b>
7	LPT Review - update	<b>63 - 66</b>
8	Development of Social Clause Measures in the Procurement Process	<b>67 - 70</b>
9	A.O.B.	



## Finance Strategic Policy Committee

### Minutes of Meeting Held On 15<sup>th</sup> March 2018

#### 1. Minutes – January 18<sup>th</sup> 2018

Noted

#### 2. Correspondence:

Correspondence Items a) – e) were noted.

#### Matters Arising:

- Cllr. Bourke requested that it be noted that Dublin has become a more expensive city to live in than London.
- E. Fleming thanked the assistance of the Head of Finance with his query on property disposal.
- Depot Consolidation Project – it was noted that the Chief Executive will make a presentation to the CPG on 27/4/2018 in advance of the May City Council meeting.

#### 3. Local Property Tax Review – draft submission for consideration

Pat McCloughan, PMCA Economic Consultants, presented the draft submission to the Committee. The presentation gave an overview of the background to the current review being undertaken by the Select Committee on Budgetary Oversight and provided conclusions and proposals for consideration.

The following issues were noted in the presentation:

- LPT was generally motivated on economic grounds with its genesis during the economic emergency;
- Successful compliance and the self assessment model used;
- LPT has not been successful as a new source of funding for local authorities, in particular in the Dublin City area;
- Specific needs of the capital - socio-economic deprivation and its effects, economic and tourism are particular needs;
- This review provides a unique opportunity to amend and improve the system for the benefit of local communities and local authorities.

The following proposals were recommended in the report for inclusion in the submission:

- An independent appraisal of local authority needs and resources in advance of the revaluation in 2019;
- Individual local authorities should retain all their LPT revenues;
- Cessation of equalisation with local authorities with weaker tax bases receiving supplementary funding from the Exchequer
- Openness/transparency of how LPT receipts are spent
- Cessation of exemptions as they are no longer warranted;
- Maintain deferrals;
- Adjustment to the timing of the next revaluation in 2019.

Following this presentation the following points were noted and requested for inclusion/amendment within the final submission and/or additional information:

- Impact of the lack of liability for commercial rates on government buildings;
- Ability to pay the LPT is not taken into account for those in negative equity or those who may be asset rich but cash poor such as the elderly;
- Recognition of the economic significance of Dublin city as the Capital and economic driver;
- Consideration of alternative funding models such as site valuation tax;
- Consideration of seeking a Disadvantage Area Fund or Social Deprivation Fund;
- Analysis of the housing mix in Dublin city;
- Analysis of the infrastructural needs of Dublin City Council e.g. roads and footpaths;

**Agreed:** It was agreed that the report would be finalised and contact would be made with government officials to arrange a meeting with the Oversight Group to advance this submission's proposals.

#### **4. Rates Debtors report at 31<sup>st</sup> December 2017**

Fintan Moran, Head of Management Accounting, presented the annual Rates Debtors report for the year end 31<sup>st</sup> December 2017. This report covered areas such as:

- The Debt Management Group targets set and achievements over the year;
- Commercial Rate funding;
- Rate collection levels and percentages over the period 2013-2017;
- Age profile of the debts with analysis of 2017 arrears accounts and rate description categories;
- 2017 arrears schedule status and analysis by electoral areas.

It was noted that the opening arrears figure of €32.4m had reduced to €26.85m by 9<sup>th</sup> March 2018.

Issues noted during the discussion that followed included:

- Acknowledge of the efforts to reduce the arrears figures;
- Acknowledge that the dependence on commercial rates as a major source of funding had dropped from approx. 40% to 35%;
- Acknowledgement of the significant efforts of the rate collectors working with rate payers in arrears;
- Noted that the reduction in arrears can also be indicative of an improving economy;
- Query on the number of vacant properties that will come back into commercial use –v- domestic use and the impact in any;
- Concerns about the impact the current issue with traffic plans and luas cross city operations are having on the rate base at present and into the future;
- Impact of online shopping on the rate base.

#### **5. IT infrastructure – Waste Systems as part of ICT Supporting DCC's Service Plan and Service Delivery**

Brian Curtis, ICT Manager and Eithne Gibbons, Waste Management Division, attended the meeting. The Waste Management Project undertaken has introduced of a complete E-Business solution which has improved customer interaction and

provides improvements to operational efficiencies. The presentation demonstrated the operational management of the system with workflow data and CRM interactions. It has provided waste information reports for management showing the number of incidents and call-out resolution statistics.

This presentation also reported on the IS systems currently used for managing services plans which include:

- Oracle eBusiness Suite CRM operational system,
- Traffic Asset Management System (TAMS)
- OHMS Integrated Housing System
- Overview of 156 Corporate ICT systems in general use in departments

**Agreed:** It was agreed that a request would be made to the Chief Executive for headline statistics to be made available from the Waste IT system to the Area Committees.

## 6. EURO 2020 Presentation

Paul Clegg and Don Daly jointly presented a report to the committee on the EURO 2020 tournament and Dublin's successful selection as one of the 13 host cities.

The presentation covered the team approach taken in the organisation of this event with Dublin City Council, FAI and Government working together on the successful delivery of the project. It was noted that the financing of the tournament will be covered by the main stakeholders.

Dublin City Council has been assigned responsibility for Fan Festival and viewing areas outside the stadium events, city dressing, commercial signage, city promotion and legacy issues and city support.

The current estimated working budget for Dublin City Council is €3.75m however a significant number of variables are at play with the overall event budget such as whether or not the Republic of Ireland will qualify, the allocation of the 16 games and the selection of training grounds etc.

At the conclusion of the presentation, among the issues noted were:

- The extent of the engagement with businesses
- Figures to be spent by the FAI and Government bodies
- TV rights and revenues
- Whether a cost benefit has been carried out on this event from a Dublin City Council perspective;
- Whether Dublin City Council will receive anything from the revenue generated on TV and advertising rights;
- Acknowledgement that whatever will be left from the overall budget will be allocated to the Dalymount Project;

**Agreed:** It was agreed that the FAI would be invited to attend a future meeting of the Finance Strategic Policy Committee to discuss their input and expenditure on this event.

## 7. Audit Committee – agreed minutes from 7<sup>th</sup> December 2017

Minutes Noted - It was further noted that significant work is being undertaken by the Committee.

#### 8. Motion from the Fianna Fail Group

“Budget 2018 Meeting – to establish an Affordable Housing Capital Fund through borrowing from the Housing Finance Agency”

**Order:** Motion deferred to the next meeting on May 17<sup>th</sup> 2018 at the request of Cllr. T. Brabazon.

**Signed:** Councillor Ruairi McGinley  
Chairperson

**Date:** 15<sup>th</sup> March 2018

#### **Attendance:**

##### **Members**

Councillor Ruairi McGinley (Chairperson)  
An tArdmhéara Micheál MacDonncha  
Councillor Paddy Bourke  
Councillor Tom Brabazon  
Councillor Dermot Lacey  
Councillor Paddy McCartan  
Councillor Noeleen Reilly  
Councillor Nial Ring  
Eric Fleming, ICTU  
Dr. Caroline McMullan, DCU  
Aidan Sweeney, IBEC

##### **Guest Speakers**

Dr. Pat McCloughan, PMCA Economic Consulting

##### **Non-Members**

Councillor John Lyons

##### **Officials**

Kathy Quinn, Head of Finance  
Fintan Moran, Head of Management Accounting  
Brian Curtis, ICT Management  
Paul Clegg, Executive Manager, Planning and Property Development Department

Don Daly, Project Manager, Dalymount Park & Euro 2020 Event  
Eithne Gibbons, Senior Executive Officer, Waste Management Division  
Fiona Murphy, Senior Staff Officer, Finance Secretariat  
Lisa Nolan, Staff Officer (Secretarial)  
Fiona Collins, Assistant Staff Officer, Finance Secretariat

**Apologies**

Cllr Brendan Carr

Councillor Ray McAdam

Councillor Larry O'Toole

Aebhric McGibney, Dublin Chamber of Commerce

Morgan O'Regan, Docklands Business Forum

Joanna Piechota, Irish Polish Society

**Media**

Zuzia Whelan, Dublin Inquirer

DRAFT







Dublin City Council  
City Hall, Dublin 2, Ireland

Comhairle Cathrach Bhaile Átha Cliath  
Halla na Cathrach, Baile Átha Cliath 2, Éire  
T. 01 222 2102/3 F. 01 222 2476 E. [finoff@dublincity.ie](mailto:finoff@dublincity.ie)

Deputy Colm Brophy  
Chair of the Select Committee on Budgetary Oversight  
Dáil Eireann  
Leinster House  
Kildare Street  
Dublin 2  
D02 XR20

23rd March 2018

**Re: Review of Local Property Tax**

  
Dear Deputy Brophy,

I refer to the Review of the Local Property Tax being undertaken by the Select Committee on Budgetary Oversight and I enclose for consideration by the Select Committee a submission in this regard on behalf of Dublin City Council's Finance Strategic Policy Committee. The submission has been prepared by PMCA Economic Consulting supported by engagement with myself as Finance Strategic Policy Committee Chairperson and committee members.

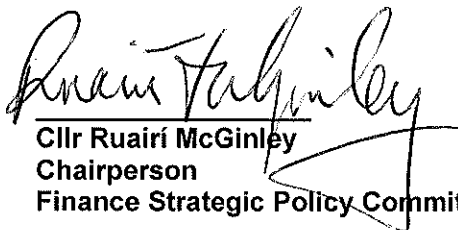
The report makes the following key recommendations:

- That an independent appraisal of local authority needs and resources should be conducted at an early opportunity.
- That additional funding for Dublin City Council, as the country's Capital City should be considered.
- That local authorities retain 100% of Local Property Tax raised in their areas as soon as possible.
- That current equalisation arrangements should cease and be replaced with a new arrangement in which supplementary funding is received from the Exchequer.
- That local authorities should be required to provide information on how LPT funds available to them are spent.
- That exemptions in the current system should not be renewed.
- That given the likelihood that the LPT will remain for the foreseeable future, as a means of householders contributing to local authority services, ensuring the adequacy of deferral arrangements in conjunction with income levels will be important.
- That the aforementioned independent review would be mindful of the need to ensure 'relative price stability'.

- That arrangements should be put in place as soon as possible to support sound budgetary planning relating to the revaluation date and the local authority budget cycle.

Dublin City Council's Finance Strategic Policy (SPC) Committee requests that an SPC delegation be afforded the opportunity to discuss the submission with the Select Committee either in full session or nominated members. I ask that you propose suitable dates/times for the purpose as soon as possible.

Yours sincerely,

  
**Cllr Ruairi McGinley**  
**Chairperson**  
**Finance Strategic Policy Committee**

**An Roghchoiste um  
Fhormhaoirsiú Buiséid**

Teach Laighean  
Baile Átha Cliath 2  
D02 XR20

Tel: (01) 6183867  
0761001856



**Select Committee on  
Budgetary Oversight**

Leinster House  
Dublin 2  
D02 XR20

Tel: (01) 6183867  
0761001856

Ref: CBO-i-177-2018

17 April 2018

Cllr Ruairí McGinley  
Chairperson  
Finance Strategic Policy Committee  
Dublin City Council  
City Hall  
Dublin 2  
Ireland

**Re: Local Property Tax**

Dear Ruairí McGinley,

I refer to your recent (23 March 2018) correspondence on behalf of Dublin City Council's Finance Strategic Policy Committee in relation to Local Property Tax.

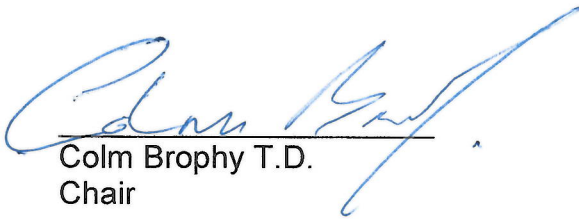
The Select Committee on Budgetary Oversight has now concluded its consideration of the issue of Local Property Tax Revaluation. In that regard, I enclose a hard copy of the Committee's Report.

You should note that, in line with the Committee's Terms of Reference, the scope of the Committee's work was confined to consideration of local property tax revaluation and Budget 2019.

Thank you for the detailed submission, which raises a range of issues in relation to Local Property Tax and local government funding.

The Committee considered this correspondence on March 27<sup>th</sup> 2018, and agreed to refer it to the Joint Committee on Housing, Planning and Local Government, on the basis that the matters raised, fall more properly within the remit of the Joint Committee.

Yours sincerely,



Colm Brophy T.D.  
Chair



Dublin City Council  
City Hall, Dublin 2, Ireland

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Kevin Nolan  
Assistant Principal  
Department of Finance  
Government Buildings  
Upper Merrion Street  
Dublin 2, D02 R583

9<sup>th</sup> April 2018

**Re: Review of Local Property Tax**

Dear Mr Nolan,

I refer to the forthcoming review and public consultation process on the Local Property Tax that will be undertaken by the cross departmental review group in the coming months. I enclose for your attention a submission in this regard on behalf of Dublin City Council's Finance Strategic Policy Committee. The submission has been prepared by PMCA Economic Consulting supported by engagement with myself as Finance Strategic Policy Committee Chairperson and committee members.

The report makes the following key recommendations:

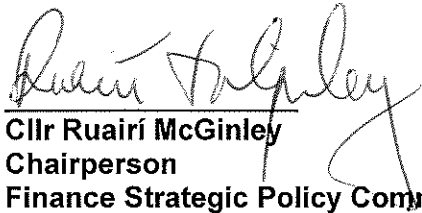
- That an independent appraisal of local authority needs and resources should be conducted at an early opportunity.
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- That local authorities retain 100% of Local Property Tax raised in their areas as soon as possible.
- That current equalisation arrangements should cease and be replaced with a new arrangement in which supplementary funding is received from the Exchequer.
- That local authorities should be required to provide information on how LPT funds available to them are spent.
- That exemptions in the current system should not be renewed.
- That given the likelihood that the LPT will remain for the foreseeable future, as a means of householders contributing to local authority services, ensuring the adequacy of deferral arrangements in conjunction with income levels will be important.

- That the aforementioned independent review would be mindful of the need to ensure 'relative price stability'.
- That arrangements should be put in place as soon as possible to support sound budgetary planning relating to the revaluation date and the local authority budget cycle.

Dublin City Council's Finance Strategic Policy (SPC) Committee requests that an SPC delegation be afforded the opportunity to discuss the submission with the cross departmental group and to this end I would appreciate if you could provide me with the contact name for the relevant person to arrange this meeting.

A similar submission has issued to Deputy Colm Brophy, Chair of the Select Committee on Budgetary Oversight, for their consideration.

Yours sincerely,



**Cllr Ruairí McGinley**  
**Chairperson**  
**Finance Strategic Policy Committee**





Minister Eoghan Murphy, TD  
Department of Housing, Planning and Local Government  
Custom House  
Dublin 1  
D01 W6X0

26<sup>th</sup> April, 2018

Dear Minister Murphy,

I refer to my letter to you dated 23<sup>rd</sup> June 2017 (copy attached) regarding the proposed Rates Legislative Framework. This letter outlined issues agreed by the members of Dublin City Council's Finance Strategic Policy Committee as being highly relevant to the proposed changes.

I understand that the draft legislation is at an advanced stage, which is in itself welcome progress. I am also informed that a key issue brought to the attention of your officials and also set out in my correspondence of 23<sup>rd</sup> June 2017 has not been included in the proposed new legislation.

The matter in question relates to summary proceedings. Within the attached letter I draw your attention to the issues of speed, jurisdiction, judgement mortgage and increase in court fees payable. Essentially this centres on a departure by the Courts Service some years ago on enabling other local authorities but not Dublin City Council to avail of District court time for summary proceedings, and a desire now to remove the City Council's court access.

The detail in the letter (highlighted) demonstrates that the process (availing of 3 specific court days in one year) is highly effective. Indeed, were Dublin City Council to have an additional one or more court days assigned for Rates purposes, then higher numbers of cases could be administered, sending a clear message to non compliant ratepayers of a robust debt collection approach.

Not all local authorities avail of court processes to collect debts, however Dublin City Council uses this route effectively. It seems without merit that a process, operating well, would be dropped from a revised rate code, thereby most likely creating an outcome whereby courts would not support the continued use of summary proceedings not explicitly carried through to the new arrangements.

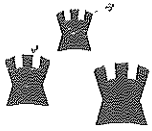
As stated, Dublin City Council strongly favours retaining the capacity to use the summary proceedings process, effected by including the necessary provision in the new rating legislation. The current legislation on this matter dates back to 1836 i.e. pre dates the constitution, and hence it is critical that provision is made in the new act.

Yours sincerely,

**Councillor Ruairi McGinley**  
**Chairperson**  
**Finance Strategic Policy Committee**







Oifig an Cheannasaí Airgeadais, An Roinn Airgeadais,  
Oifigí na Cathrach, An Ché Adhmaid, Baile Átha Cliath 8, Éire

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Richard Shakespeare,  
Asst. Chief Executive,  
Planning and Property Development Department  
Block 4, Floor 3,  
Civic Offices,  
Wood Quay,  
Dublin 8

8th May 2018

**Re: EURO 2020**

Dear Richard,

At its meeting held on 15<sup>th</sup> March 2018, Report No. 6 EURO 2020 presented by Paul Clegg and Don Daly was considered by the Finance Strategic Policy Committee. I attach a summary of the issues raised as part of the SPC members' consideration of this matter.

Representatives of FAI and UEFA are invited to the meeting of the Finance Strategic Policy Committee scheduled for 20<sup>th</sup> September at 3pm in City Hall. You or your nominee may also wish to attend this presentation, reflecting your involvement with this project.

Please confirm as soon as possible, the attendees for the September meeting.

Yours sincerely,

Kathy Quinn  
Head of Finance  
With responsibility for Information Communications Technology

c.c. Paul Clegg, Executive Manager, Planning and Property Development Department

## Summary of Issues Raised

Paul Clegg and Don Daly jointly presented a report to the committee on the EURO 2020 tournament and Dublin's successful selection as one of the 13 host cities.

The presentation covered the team approach taken in the organisation of this event with Dublin City Council, FAI and Government working together on the successful delivery of the project. It was noted that the financing of the tournament will be covered by the main stakeholders.

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The current estimated working budget for Dublin City Council is €3.75m however a significant number of variables are at play with the overall event budget such as whether or not the Republic of Ireland will qualify, the allocation of the 16 games and the selection of training grounds etc.

At the conclusion of the presentation, among the issues noted were:

- The extent of the engagement with businesses
- Figures to be spent by the FAI and Government bodies
- TV rights and revenues
- Whether a cost benefit has been carried out on this event from a Dublin City Council perspective;
- Whether Dublin City Council will receive anything from the revenue generated on TV and advertising rights;
- Acknowledgement that whatever will be left from the overall budget will be allocated to the Dalymount Project;

**Agreed:** It was agreed that the FAI would be invited to attend a future meeting of the Finance Strategic Policy Committee to discuss their input and expenditure on this event.

# Vacant & Derelict Sites Approaches to Active Land Management

Page 19

**Richard Shakespeare**  
**Assistant Chief Executive**  
**May 2018**



Comhairle Cathrach  
Bhaile Átha Cliath  
Dublin City Council

# Active Land Management

- Property management is an integral part of a Local Authority's service:
  - Derelict sites
  - Disposal/Acquisition
  - Conservation of Buildings
  - Development Management

The City Council is now pro-active in targeting underutilised, vacant and derelict lands and buildings – Active Land Management Unit

- Drawing from existing units and expertise
- Multi-disciplinary team
- Full Involvement of City Valuers Office

• This change in direction has been influenced by the advent of the vacant sites levy legislation and the statutory requirements that will be imposed on the Council under this legislation.



# Active Land Management Initiatives

- **Derelict Sites Register:** Focus on residential properties
- **Vacant Sites Register:** Levies collectable from 2019
- **Living City Initiative:** City Centre Regeneration
- **Regeneration Projects:** Strategic properties in DCC ownership

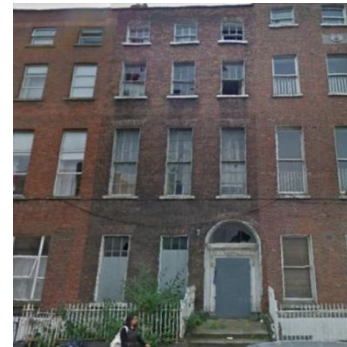




# Derelict Sites Register

- 81 properties on the register – (c.19 Commercial)
- Compulsorily acquired 11 residential properties in 2017 & 1 by agreement
- Notice published March & May to acquire a further 8 compulsorily
- Further 18 properties identified for acquisition
- Service of notices also results in:
  - Owners doing necessary works  
or
  - Releasing property to market

Page 12



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Bhaile Átha Cliath  
Dublin City Council

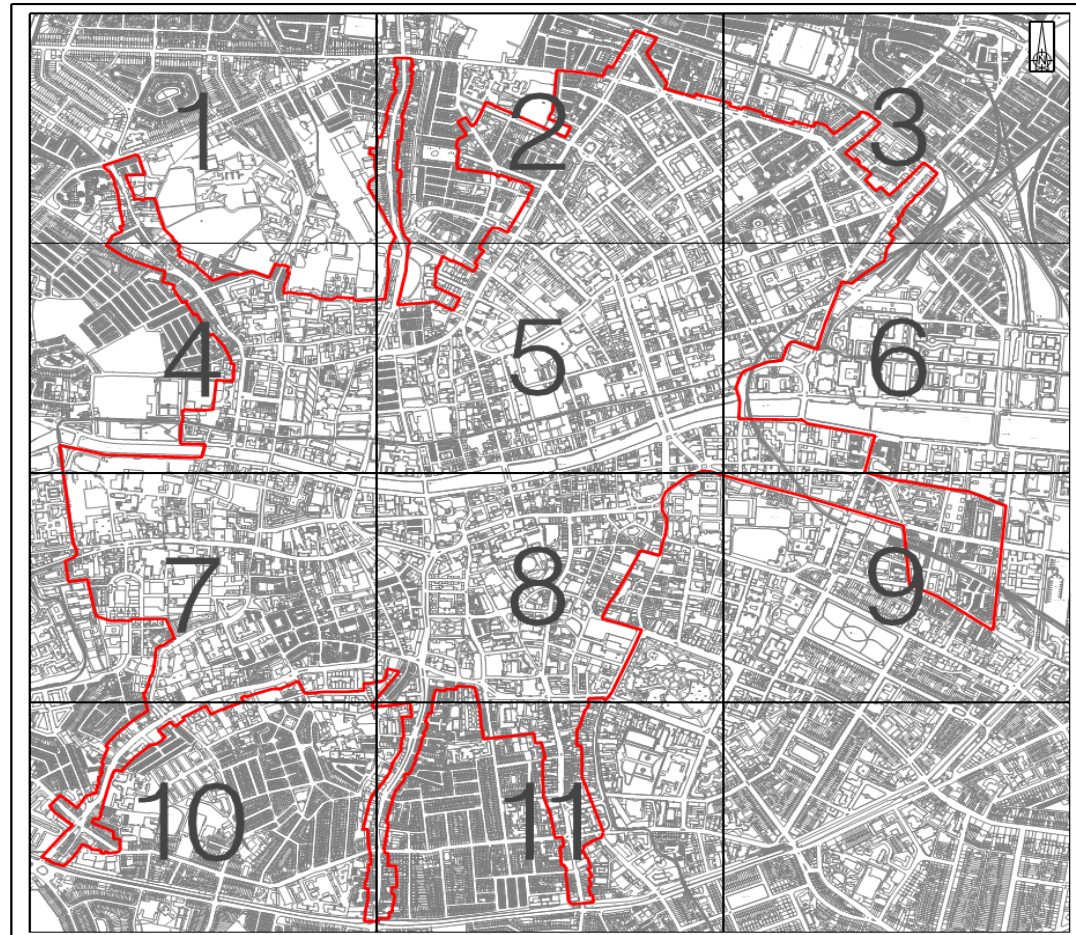
# Vacant Site Register

- 75 sites on the register
- 29 sites to go on the register on 14<sup>th</sup> May 2018
- 1,100 sites surveyed
- 179 notices of proposed entry served
- 110 submissions received
- 22 appealed to An Bord Pleanála
- 14 sites in Dublin City Council ownership on the register
- 3% levy due from 2019 & 7% due from 2020



# Living City Initiative

- Limited take up
- Amended Scheme re-launched
- One Stop Shop established and Multi disciplinary Team in place to assist property owners
- New publicity material produced and media campaign to promote scheme



## Location Map

Living City Initiative

Special Regeneration Area



Comhairle Cathrach  
Bhaile Átha Cliath  
Dublin City Council



# Regeneration projects

- Housing Land Initiative Sites
- Depot Sites
  - Gulistan
  - Stanley Street
- Ballymun
  - Site for Lidl & Student Accommodation
  - Shopping Centre Site
- Cherry Orchard
  - Site for retail- 4 acres
- City Markets regeneration



# Active Land Management

Use of Compulsory Purchase Order (CPO)

Proposed CPO's for:

- Page 26 Ryder's Row/Capel Street/Parnell St.
- Werburgh Street/Ship Street
- Exchange Street Upper/Lower
- James' Street



Comhairle Cathrach  
Bhaile Átha Cliath  
Dublin City Council

# Conclusions

## Resources:

a) New administration unit established to coordinate various strands e.g. Derelict Sites, Vacant Sites, Disposals/Acquisitions

Page 27

b) Multidisciplinary & Interdepartmental Teams

## Finance:

DCC Budget in place to acquire properties



# Thank You

Finance SPC

Thursday 17<sup>th</sup> May 2018



Comhairle Cathrach  
Bhaile Átha Cliath  
Dublin City Council

Aonad Cuntasafócht Bhainistíochta, Roinn Airgeadais,  
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## Report to the Finance Strategic Policy Committee

### Development Contribution Scheme

This report sets out an analysis of development contributions at the year- end 2017. It provides details of the projects to which development contribution funding has been applied in 2017.

The report details the current development contribution scheme 2016-2020.

#### **Development Contribution Scheme**

Section 48 of the Planning & Development Act, 2000 enables Dublin City Council when granting a planning permission under Section 34 of the Act to include conditions requiring the payment of a contribution. This contribution is in respect of public infrastructure and facilities benefiting development in the area of the planning authority and that is provided, or that is intended will be provided, by or on behalf of a local authority (regardless of other sources of funding for the infrastructure and facilities).

From the 1<sup>st</sup> January 2016 a new Development Contribution Scheme is operational. Under the scheme the rates of contributions to be paid (except where an exemption or reduction applies) in respect of the different classes of public infrastructure and facilities is as follows in Table 1.

**Table 1**  
**Development Contribution Scheme 2016-2020**

Class of Public Infrastructural Development	€ per square metre of Residential Development	€ per square metre of Industrial/Commercial class of Development
<b>Class 1</b> Roads infrastructure & facilities	€26.13	€21.19
<b>Class 2</b> Surface Water, flood relief and other works	€12.62	€10.24
<b>Class 3</b> Parks and open spaces	€10.27	€8.33
<b>Class 4</b> Community facilities & amenities	€14.83	€12.02
<b>Class 5</b> Urban regeneration facilities & amenities	€22.55	€18.28
<b>Total of Contributions Payable</b>	<b>€86.40</b>	<b>€70.06</b>

The new schemes specifies five classes of public infrastructure and facilities and the new % allocation to each class is shown in Table 2

**Table 2**

<b>Class</b>	<b>Class Description</b>	<b>% Contribution</b>
Class 1	Roads infrastructure & facilities	30.24%
Class 2	Surface Water, flood relief and other works	14.61%
Class 3	Parks & Open Space facilities & amenities	11.89%
Class 4	Community facilities & amenities	17.16%
Class 5	Urban regeneration facilities & amenities	26.10%

The following table shows the opening balance, the receipts for 2017 and allocations made in 2017 giving a closing position at the year- end of €76.1m which is available for allocation to current and future schemes.

Development Levies allocated to schemes in 2017 are listed in Appendix 1.

**Table 3**

<b>Class of Public Infrastructural Development</b>	<b>Opening Balance 01/01/2017</b>	<b>Receipts 2017</b>	<b>Allocations</b>	<b>Closing Balance 31/12/2017</b>
<b>Class 1</b> Roads Infrastructure & facilities	17,038,206	11,486,071	1,629,653	26,894,624
<b>Class 2</b> Surface Water, flood relief and other works	25,838,985	8,168,514	8,431,952	25,575,547
<b>Class 3</b> Parks and open spaces	113,356	2,965,788	3,027,597	51,547
<b>Class 4</b> Community facilities & amenities	3,771,782	5,209,348	3,597,769	5,383,362
<b>Class 5</b> Urban Regeneration facilities & amenities	13,189,044	6,001,891	922,938	18,267,997
<b>Total</b>	<b>59,951,375</b>	<b>33,831,612</b>	<b>17,609,910</b>	<b>76,173,077</b>

## **Capital Programme 2018-2020**

The Capital Programme 2018-2020 was presented to Council in Nov 2017. The capital programme represents an investment of €1.65b for the period 2018-2020.

A summary of the Capital Programme 2018-2020 is set out within Table 4.

Table 4

<b>Description</b>	<b>Budgeted Expenditure 2018-2020</b>	<b>External Funding 2018-2020</b>	<b>Internal Funding Required</b>
	<b>€</b>	<b>€</b>	<b>€</b>
<b>Programme Group Total</b>	1,659,721,604	1,475,790,509	183,931,095
<b>Internal Funding Sources</b>			
Disposals, Car Parking & Property Rentals			42,458,968
<b>Development Contributions</b>			141,472,127
<b>Total</b>	<b>1,659,721,604</b>	<b>1,457,790,509</b>	<b>183,931,095</b>
<b>Balance</b>			<b>0</b>

Table 4 indicates that development contributions unallocated are committed to the proposed listing of capital projects 2018-2020 see Appendix 2.

### **Financial Overview**

The funding of the Capital Programme 2018-2020 of €1.65b as presented to council is dependent on the realisation of the budgeted levels of internal and external funding. The level of internal funding required to complete the Capital Programme 2018-2020 is €183.9m of which Development Contributions is €141.5m (76.9%) and other capital funding €42.4m (23.1%). The capital programme is reviewed each year and capital commitments will change given the economic factors, which allows for prudential prioritising of projects in line with available resources.

Yours sincerely,

**Fintan Moran**

Head of Management Accounting

## Appendix 1: Contributions Allocated in 2017

		<b>Contributions Allocated in 2017</b>	<b>Closing Balance Available for allocation</b>
<b>Scheme Name</b>	<b>Stage</b>		<b>31/12/2017</b>
		<b>€</b>	<b>€</b>
<b>Class 1: Roads</b>			
Blackhorse Avenue Section 2	Current	891,724	
Bloodstone Bridge	Current	25,628	
Kilmainham Civic Space	Complete	48,536	
Balbutcher Lane Junction	Current	48,031	
Dodder Bridge	Current	41,187	
Sillogue Infrastructural Scheme	Current	10,040	
Belmayne Street & Avenue	Current	4,778	
LED Improvement Scheme	Current	349,516	
LUAS Associated Projects	Complete	65,403	
Patriots Lane Environmental Imp Scheme	Complete	12,855	
College Green Plaza	Current	130,917	
Duke Street	Current	380	
Clarendon Street/Clarendon Row	Current	657	
<b>Class 1: Roads Total</b>		<b>1,629,653</b>	<b>26,894,624</b>
<b>Class 2: Surface Water ,flood Relief</b>			
Flood Alleviation Fleet	Current	700,694	
S2S Phase 2	Current	21,476	
Dublin Flood Alleviation Works Phase 2-5	Current	817,732	
Wad River Flood Works	Current	370,226	
Culvert Improvement Works	Current	1,945,481	
Water Framework Directive Office	Current	318,302	
S2S Cycleway Bull Island to Causeway Road	Current	3,990,680	
Dublin Flood Early Warning System	Current	267,361	
<b>Class 2: Surface Water , flood relief Total</b>		<b>8,431,952</b>	<b>25,575,547</b>
<b>Class 3: Parks</b>			
Playgrounds	Current	78,204	
Poppintree Parks Sports Pavillion	Complete	161,307	
Brickfields All Weather Pitch	Complete	371,369	
Tolka Valley Pavillion	Complete	63,759	
Merrion Square Conservation Plan	Current	78,190	
Fr Collins All Weather Pitch	Complete	128,843	
Weaver Park, Liberties	Current	974,010	
Wolfe Tone Park	Current	32,027	
Parks Sports Capital Projects	Current	115,604	



		<b>Contributions Allocated in 2017</b>	<b>Closing Balance Available for allocation</b>
<b>Scheme Name</b>	<b>Stage</b>		<b>31/12/2017</b>
		<b>€</b>	<b>€</b>
Springdale Pavillion	Complete	764,284	
Rockfield Park	Complete	260,000	
<b>Class 3: Parks Total</b>		<b>3,027,597</b>	<b>51,547</b>
<b>Class 4: Community</b>			
Libraries Programme of Works	Current	86,188	
Henrietta Street 1916	Complete	1,695,303	
13-14 Henrietta Street	Current	4,880	
St.Lukes Graveyard & Park	Current	639,946	
Kevin Street Library Refurbishment & Restoration	Complete	452,065	
RIFD Self Service in Libraries	Complete	25,889	
Coolockl Library Refurbishment	Current	17,075	
Libraries Programme of Works	Current	35,611	
Patriots Lane Environmental Improvement Works	Complete	100,000	
Clontarf All Weather Facility Car Park	Complete	75,191	
Finglas Sports & Fitness	Current	164,180	
Community Recreation Centres Programme of Works	Current	23,998	
Leisure Centre Programme of Works	Current	277,443	
<b>Class 4: Community Total</b>		<b>3,597,769</b>	<b>5,383,362</b>
<b>Class 5: Urban</b>			
Bridgefoot Street	Current	15,941	
Le Fanu Park Skateboard Park	Current	76,420	
Grafton Street Quarter	Current	171,689	
Chatham Street- Harry Street	Current	459,013	
Grafton Street	Current	58,719	
Wayfinding	Current	17,503	
Refurbishment of Markets Phase II	Current	123,653	
<b>Class 5: Urban Total</b>		<b>922,938</b>	<b>18,267,997</b>
<b>Overall Total</b>		<b>17,609,910</b>	<b>76,173,077</b>

## **Appendix 2: Project List**

### **Class 1 - Roads infrastructure and facilities**

<b>Current Projects</b>	<b>Proposed Projects</b>
Blackhorse Avenue Section 2 LED Improvement Scheme	Castle Street Blackhorse Avenue Section 4 Hole in the Wall Pub
Bloodstone Bridge	Point Pedestrian & Cycling Bridge
Dodder Bridge	Liffey Boardwalk Upgrade
College Green Plaza	Overhead Network Upgrade
Grafton Street Works	Liffey & Mary Street Improvements
Refurbishment of Footpaths & Carriageways	
Duke Street	
Clarendon Street/Clarendon Row	

### **Class 2 – Surface Water ,flood relief and other works**

<b>Current Projects</b>	<b>Proposed Projects</b>
Dublin Flood Early Warning System	North Campshires Flood Defence Future Climate Control
Clontarf Flood Relief	Flood Defence Inspection Scheme
Implementing Flood Resilient City Outcomes	South Campshires SDZ Project
Dodder Flood Works	Surface Water Asset Management System
Campshires Flood Protection Projects	Surface Water Network Improvement Works
Culvert Improvement Works – Screen Upgrade Works	Sustainable Drainage Works
Culvert Improvement Works Camac Culvert Collapse, future works	
Sandymount Flood Defences	
S2S Phase 1 & Phase 2	
Flooding Emergency Works	
Poddle River Flood Alleviation	

**Class 3 - Parks facilities and amenities**

<b><i>Current Projects</i></b>	<b><i>Proposed Projects</i></b>
Parks Sports Capital Projects – Kilbarrack, Springdale, Tolka Valley, St Annes Park, Poppintree, Rockfield Park, Fr Collins	Merrion Square Tea Rooms, Fairview Park Tea Rooms, Bush Park Team Rooms
Parks Community – Weaver Park	Parks Community – Bridgefoot Street Park
Parks Historic – Mountjoy, Merrion Square Conservation Plan,	Dublin Bay Discovery Centre
Liffey Vale	Public Realm
Le Fanu Park Playpark	Public Sculpture Installations
Wolfe Tone Park	Temple Bar Square, Blind Quay, Christchurch redevelopment of grounds

**Class 4 – Community facilities and amenities**

<b><i>Current Projects</i></b>	<b><i>Proposed Projects</i></b>
Community Recreation Centres Programme of Works	Ballyfermot Leisure Centre – Gym Extension, Car Park & Cafe
Leisure Centre Programme of Works	Finglas New Exercise Studio
Libraries Programme of Works	Terenure Library Redevelopment
Coolock Library Refurbishment	Marino Library Access
Upgrade of Community Facilities	
Municipal Sports Centres	
Ballyfermot Leisure Centre – New Pitch	
Finglas Library Relocation	
Clongriffin Library	

**Class 5 – Urban Regeneration facilities and amenities**

<b><i>Current Projects</i></b>	<b><i>Proposed Projects</i></b>
Grafton Street Projects	Linking Routes North South
Markets Refurbishment	Space & Placemaking – Moore Street, City Markets, Aungier Street
Docklands SDZ Public Realm	Francis Street Environmental Improvement Scheme
Wayfinding Scheme New Phase	St James Graveyard
Docklands Fibre Ducting	New Market Square Environmental Improvement Scheme
Ballyfermot Civic Investment Programme	Ballyfermot Village Improvement Scheme

# Finance SPC

Annual Financial Statement 2017

*17th May 2018*

Victor Leonov  
Professional Accountant  
Financial Accounting Unit

# Agenda

- Introduction to Final Accounts
- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Funds Flow
- Accounting Code of Practice
- Questions

# Annual Financial Statement – Final Accounts

- Financial Accounts Content
  - Statement of Accounting Policies
  - Statement of Comprehensive Income
  - Statement of Financial Position
  - Statement of Funds Flow
  - Notes to and forming part of the accounts
  - Appendices

# Annual Financial Statement (AFS)

- Basis used is Accrual Accounting where income and expenditure are recognised as they are earned or incurred, not as money is received or paid
- Produced at end of trading period – 31<sup>st</sup> December
- Local Authority accounting is in line with best commercial practice
- The AFS is prepared in accordance with the Local Authority Code of Practice issued by Department of Environment, Community & Local Government and updated each year.



## Statement of Comprehensive Income Year Ended 31<sup>st</sup> December 2017

	2017 €m	2016 €m
Gross Expenditure	(834.79)	(769.95)
Gross Income	523.67	468.49
<b>Net Cost to be Funded</b>	<b>(311.12)</b>	<b>(301.46)</b>
Rates	321.48	324.50
Local Property Tax (Discretionary)/LGF	23.07	6.80
Pension Related Deduction	0	12.29
Surplus before Transfers	33.43	42.14
Transfers to Reserves	(36.29)	(44.64)
<b>Overall Surplus / (Deficit)</b>	<b>(2.86)</b>	<b>(2.50)</b>
General Reserves 01/01/17	26.10	28.60
General Reserves 31/12/17	23.24	26.10

# Analysis of Revenue Expenditure

Expenditure Category:	2017		2016	
	€m	%	€m	%
Payroll Expenses	368.61	44.2%	361.67	47.0%
Operational Expenses	203.43	24.4%	179.75	23.3%
Administration Expenses	161.83	19.4%	135.41	17.6%
Establishment Expenses	41.09	4.9%	35.09	4.6%
Financial Expenses	43.49	5.2%	43.40	5.6%
Miscellaneous Expenses	16.34	2.0%	14.63	1.9%
	<b>834.79</b>	<b>100.00%</b>	<b>769.95</b>	<b>100.00%</b>

See analysis in AFS, Appendix 1, Page 32

# Analysis of Revenue Income

Income Source:	2017		2016	
	€m	%	€m	%
Rates	321.48	37.0%	324.50	40.0%
Goods & Services *	239.12	27.5%	231.90	28.6%
Grants & Subsidies **	218.71	25.2%	172.98	21.3%
Local Property Tax	23.07	2.7%	6.80	0.8%
Local Authorities	65.84	7.6%	63.62	7.8%
Pension Related Deduction	0.00	0.0%	12.29	1.5%
	<b>868.22</b>	<b>100.00%</b>	<b>812.09</b>	<b>100.00%</b>

\* See analysis in AFS, Appendix 4, Page 42

\*\* See analysis in AFS, Appendix 3, Page 41

## Analysis of Expenditure & Income on Capital Account At 31<sup>st</sup> December 2017

	Balance 1/1/2017 €M	Expenditure €M	Income €M	Transfers €M	Balance 31/12/2017 €M
Housing & Building	(84.74)	(245.74)	252.49	10.32	(67.67)
Road Transportation & Safety	25.23	(24.59)	23.06	5.29	28.99
Water Services	4.03	(6.09)	8.06	(1.06)	4.94
Development Management	16.63	(34.79)	65.44	(5.2)	42.08
Environmental Services	(25.03)	(8.36)	10.02	4.07	(19.3)
Recreation & Amenity	3.68	(17.85)	13.55	2.74	2.12
Agriculture, Education, Health & Welfare	0	0	0	0	0
Miscellaneous Services	24.75	4.37	3.45	7.29	39.86
<b>Total</b>	<b>(35.43)</b>	<b>(333.05)</b>	<b>376.07</b>	<b>23.45</b>	<b>31.02</b>

Refer to Appendix 6, AFS, Page 44

# Projects with Debit Balances where a funding mechanism is in place

## Department

### Housing

#### Housing Loans Redemptions

To be Funded by Rev/Cap Transfer

### Development

#### Ballymun Civic Centre

To be funded from HSE Rental Income

#### Land Acquisition Loan Redemption

To be funded from Sale of Land

### Environmental Protection

#### Tallaght Fire Station

Funded by Rev/Cap Transfer

#### Thermal Treatment Plant

To be funded from Operational facility Waste Revenue Stream (First Call)

#### District Heating

To be funded from Operational facility Waste Revenue Stream (Second Call)

Balance at year end  
31/12/2017

14,566,412

22,101,178

29,393,524

895,884

13,536,616

10,925,023

# Capital Income by Source

Page 46

	2017 €m	%	2016 €m	%
Grants	225.8	60.04%	157.63	65.23%
Property Disposals	12.85	3.42%	3.68	1.52%
Development Contributions	55.8	14.84%	25.75	10.66%
Borrowings	0.94	0.25%	0	0.00%
Car Parking	5.93	1.58%	5.87	2.43%
Other	74.74	19.87%	48.73	20.16%
	<b>376.07</b>	<b>100.00%</b>	<b>241.66</b>	<b>100.00%</b>

Refer to Appendix 5, AFS, Page 43

# Capital Expenditure by Service

<b>Service:</b>	<b>2017 €m</b>	<b>%</b>	<b>2016 €m</b>	<b>%</b>
Housing & Building	245.74	73.8%	151.24	65.8%
Roads, Transportation & Safety	24.59	7.4%	17.88	7.8%
Water Services	6.09	1.8%	2.61	1.1%
Development Incentives & Controls	34.79	10.4%	48.09	20.9%
Environmental Protection	8.36	2.5%	(2.06)	(0.9)%
Recreation & Amenity	17.85	5.4%	19.71	8.6%
Agriculture, Education, Health & Welfare	0.00	0.0%	0.00	0.0%
Miscellaneous	(4.37 )	(1.3)%	(7.76)	(3.4)%
	<b>333.05</b>	<b>100.00%</b>	<b>229.71</b>	<b>100.00%</b>

# Statement of Financial Position

## At 31<sup>st</sup> December 2017

	Notes to AFS	2017 €m	2016 €m
Fixed Assets	1	10,166	9,972
Work in Progress	2	245	433
Long Term Debtors	3	444	446
Current Assets	4/5	330	284
Current Liabilities	6	<u>(199)</u>	<u>(199)</u>
Net Current Assets		131	85
Creditors	7/8	<u>(545)</u>	<u>(556)</u>
Net Assets		10,442	10,380
Represented by			
Total Reserves	9/2/10	10,442	10,380



# Statement of Funds Flow

- Concerned with the flow of cash in and cash out of the Council
- Analysis broken down to Operating, Return on Investment, Capital Expenditure, Financing and Third Party Holding activities.
- Provide additional information for evaluating changes in Assets and Liabilities

# Statement of Funds Flow

## As at 31<sup>st</sup> December 2017

	Note	2017 €
<b>REVENUE ACTIVITIES</b>		
Net Inflow/(outflow) from operating activities	17	<u>(59,023,855)</u>
<b>CAPITAL ACTIVITIES</b>		
<b>Returns on Investment &amp; Servicing of Finance</b>		
Increase/(Decrease) in Fixed Asset Capitalisation Funding		194,415,530
Increase/(Decrease) in WIP/Preliminary Funding		(144,545,282)
Increase/(Decrease) in Reserves Balances	18	34,517,394
<b>Net Inflow/(Outflow) from Returns on Investment and Servicing of Finance</b>		<u>84,387,642</u>
<b>Capital Expenditure &amp; Financial Investment</b>		
(Increase)/Decrease in Fixed Assets		(194,415,530)
(Increase)/Decrease in WIP/Preliminary Funding		187,856,022
(Increase)/Decrease in Other Capital Balances	19	(11,377,527)
<b>Net Inflow/(Outflow) from Capital Expenditure and Financial Investment</b>		<u>(17,937,035)</u>
<b>Financing</b>		
Increase/(Decrease) in Loan Financing	20	(11,018,702)
(Increase)/(Decrease) in Reserve Financing	21	(8,075,579)
<b>Net Inflow/(Outflow) from Financing Activities</b>		<u>(19,094,281)</u>
<b>Third Party Holdings</b>		
Increase/(Decrease) in Refundable Deposits		1,992,214
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	22	(9,675,315) <u><u>(9,675,315)</u></u>

# Analysis of Loans

<b>Loan Type:</b>	<b>2017</b>	<b>2016</b>
	<b>€m</b>	<b>€m</b>
Mortgage Loans	160.3	164.8
Asset / Grants Loans	7.1	8.4
Bridging Finance	73.9	73.9
Shared Ownership - Rented Equity	52.8	68.6
Recoupable Voluntary Housing Loans	217.2	226.2
Recoupable Water Loans	12.4	14.1
<b>Total Loans Payable</b>	<b>523.7</b>	<b>556.0</b>

# Trade Debtors

	2017 €	2016 €
Government Debtors	136,329,100	55,890,808
Commercial Debtors	55,965,123	63,329,196
Non-Commercial Debtors	39,306,524	38,188,721
Development Levy Debtors	40,196,354	23,823,089
Other Services	11,577,156	7,557,136
Other Local Authorities	11,630,987	5,618,236
Add: Amounts falling due within 1 year	25,000,000	41,000,000
<b>Gross Debtors</b>	<b>320,005,244</b>	<b>235,407,186</b>
Less: Provision for Doubtful Debts	- 134,706,211	- 105,177,979
<b>Total Trade Debtors</b>	<b>185,299,033</b>	<b>130,229,207</b>

# Major Revenue Collections For 2017

Debtor Type	Arrears 01/01/2017	Accrued	Vacant Property Adjustments	Write Offs	Waivers	Total for Collection	Collected	Arrears at 31/12/2017	Specific Doubtful Arrears	% Collected
	€	€	€	€	€	€	€	€	€	
<b>Rates</b>	41,071,365	321,481,363	9,909,272	13,277,951	-	339,365,505	306,931,580	<b>32,433,925</b>	3,600,000	<b>91%</b>
<b>Rents &amp; Annuities</b>	22,544,787	85,865,796	-	557,941	-	107,852,642	81,620,926	<b>26,231,717</b>	-	<b>76%</b>
<b>Housing Loans</b>	12,406,365	19,353,878	-	-	-	31,760,243	20,981,400	<b>10,778,844</b>	-	<b>66%</b>

## Summary of Local Property Tax

	2017 €	2017 €
<b>Discretionary</b>		
Discretionary Local Property Tax including PRD	23,068,969	
		<b>23,068,969</b>
<b>Self Funding – Revenue</b>		
Housing & Building	4,390,340	
Roads Transportation & Safety	5,780,600	
		<b><u>10,170,940</u></b>
<b>Total Local Property Tax – Revenue</b>		<b><u>33,239,909</u></b>
<b>Self Funding – Capital</b>		
Housing & Building	18,413,998	
Roads Transportation & Safety	0	
		<b><u>18,413,998</u></b>
<b>Total Local Property Tax – Capital</b>		<b><u>18,413,998</u></b>
<b>Total Local Property Tax</b>		<b>51,653,907</b>

**THANK YOU**  
**QUESTIONS?**





Oifis an Cheannasaí Airgeadais, An Roinn Airgeadais,  
Oifigí na Cathrach, An Ché Adhmaid, Baile Átha Cliath 8, Éire

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## Report to the Finance Strategic Policy Committee

### Re: Debtors Balances Quarter 4 2017

#### Introduction

The active pursuit and collection of all revenues due to the Council is of paramount importance. Individual managers within departments and areas are accountable and responsible for the identification of potential income sources, the timely issue of invoices and the ultimate collection of the money due. The collection of all outstanding amounts in a timely manner is an essential activity for the efficient running of an organisation. It results in positive cash flow impact, reduced borrowing requirements and associated borrowing costs and ensures that third parties are aware that the Council intend to fully pursue all monies owing.

#### Debtors balances

The following table shows the total amount owed to DCC at the end of December 2017 compared with the opening balance at the start of the year, broken down over main Debtor categories. Revenue Debtors have increased from €235m at the start of the year to €320m at end December 2017. This increase is mostly due to higher Government Debtors.

	Opening Balance (Gross Debtors) 01/01/2017	Closing Balance (Gross Debtors) 31/12/2017	Bad Debt Provision	Closing Balance (Debtors net of Provision) 31/12/2017
<b>Trade Debtors</b>				
Government Debtors	55,890,807	136,329,100	14,199,311	122,129,789
Commercial Debtors	63,329,196	55,965,123	38,414,422	17,550,701
Non-Commercial Debtors	38,188,717	39,306,524	36,467,579	2,838,945
Other Services	7,557,136	11,577,156	-	11,577,156
Other Local Authorities	5,618,237	11,630,987	8,098,650	3,532,337
<b>Total Trade Debtors</b>	<b>170,584,093</b>	<b>254,808,890</b>	<b>97,179,962</b>	<b>157,628,928</b>
<b>Other Debtors</b>				
Development Levy Debtors	23,823,089	40,196,354	37,526,249	2,670,105
Amounts falling due within one year	41,000,000	25,000,000		25,000,000
<b>Total Other Debtors</b>	<b>64,823,089</b>	<b>65,196,354</b>	<b>37,526,249</b>	<b>27,670,105</b>
<b>Overall Current Debtors</b>	<b>235,407,182</b>	<b>320,005,244</b>	<b>134,706,211</b>	<b>185,299,033</b>

## Government debtors

€136.3m has been accrued for Government debtors at the end of December 2017. This is an increase of €80.4m on the opening balance at the start of the year. The increase is due primarily to amounts owed for Housing projects and Homeless claims. The debtor is broken down as follows:

1. Housing projects € 78.9m
2. Homeless € 29.0m
3. MARP / LAMTR € 6.1m
4. Other Claims € 22.3m

1. Housing Project claims and accruals amounting to €78.9m at the end of December 2017 are as follows:

- o Purchase of Houses €47.7m
- o Housing Construction €17.0m
- o Refurbishment Houses/Voids €10.8m
- o Voluntary Housing € 2.0m
- o Priory Hall € 1.4m

2. An accrual of €29m was made at year end for Homeless Services. Payment of €24.2m was received from the Department of Housing, Community and Local Government on 13<sup>th</sup> April 2018.

3. The Mortgage Arrears Resolution Process fund compensates local authorities for losses incurred on repossessed and mortgage to rent properties. These claims are approved by a committee and are dependent on the funds being available to meet all claims submitted. Claims can only be made twice a year in June and December. At the end of 2017 there was a loss of €6.1m on these transactions in our books for which claims can be made.

4. Other claims which amounted to €22.3m are made up of the following,

- a. CLSS € 6.6m
- b. HAP € 6.4m
- c. Parks/Sports Grant € 3.2m
- d. NTA Grants € 2.5m
- e. Miscellaneous € 3.6m

## Commercial debtors

### Commercial Rates

#### Rate % Collection Q4 2017

Opening balance 1/01/2017	Debit raised	Receipts less Refunds	Write Offs / Vacant Property adj	Balance December 2017	Specific doubtful arrears	% Collected
41,071,365	321,481,363	306,931,580	23,187,223	32,433,925	3,600,000	91%

## Rates % Collection Q4 2016

Opening balance 1/01/2016	Debit raised	Receipts less Refunds	Write Offs / Vacant Property adj	Balance December 2016	Specific doubtful arrears	% Collected
51,124,526	324,501,784	303,112,295	31,442,649	41,071,365	5,655,228	90%

The percentage collection of rates up to the end of December 2017 was 91%, 1% higher than the same period in 2016. The target cash collection for 2017 was €300m which has been achieved. Appropriate Bad Debt Provision has been maintained against the arrears outstanding.

### Other commercial debtors

The balance outstanding on other commercial debtors at end December 2017 is €23.5, an increase of €1.2m on the opening balance at the beginning of the year. The debtors are made up of invoices raised for the commercial activities of the City Council and consist mainly of the following balances:

	1/1/2017	31/12/2017
Rental income	€2.7m	€3.2m
Repayable works	€3.8m	€2.9m
Fire charges (commercial)	€0.5m	€0.5m
Derelict sites	€1.8m	€2.0m
Dangerous buildings	€1.3m	€1.7m
Ambulance services	€0.8m	€0.8m
Irish Water SLA Recoupment	€8.8m	€5.3m
Development Charge	€0.9m	€2.7m

The current balance outstanding for Irish Water of €5.3m consists mainly of the December 2017 Invoices and this was all paid in Q1 2018.

### Non commercial debtors

#### *Housing Rents*

#### Housing Rents % Collection 2017

Opening balance 1/01/2017	Debit raised	Receipts	Refunds	Write Offs	Balance December 2017	% Collected
22,544,788	85,865,796	82,060,147	439,221	557,941	26,231,717	76%

#### Housing Rents % Collection 2016

Opening balance 1/01/2016	Debit raised	Receipts	Refunds	Write Offs	Balance December 2016	% Collected
20,498,356	80,994,532	79,106,302	594,783	436,581	22,544,788	78%

The balance of the debtor at the end of December 2017 for Housing Rents has increased by €3.7m from €22.5m to €26.2m.

### Housing Loans

#### House Purchase Loans % Collection 2017

<b>Opening balance 1/01/2017</b>	<b>Debit raised</b>	<b>Receipts</b>	<b>Refunds</b>	<b>Write Offs</b>	<b>Balance December 2017</b>	<b>% Collected</b>
12,406,365	19,353,878	20,981,400	-	-	10,778,843	66%

#### House Purchase Loans % Collection 2016

<b>Opening balance 1/01/2016</b>	<b>Debit raised</b>	<b>Receipts</b>	<b>Refunds</b>	<b>Write Offs</b>	<b>Balance December 2016</b>	<b>% Collected</b>
15,126,790	20,834,761	23,555,187	-	-	12,406,364	66%

The balance of €10.8m outstanding for Housing Loans debtor at end of December 2017 is a reduction of €1.6m on the opening balance at the 1<sup>st</sup> January 2017 (an additional €7.8m principal on interest only loans not raised is not included in this balance).

A dedicated mortgage support unit is in place to manage the Council's housing loans book. This unit engages with borrowers who are experiencing difficulties and makes them aware of the various options under the Mortgage Arrears Resolution Process (MARP). Every effort is made to reduce the level of arrears but the current economic situation, particularly with regard to mortgages, is not improving sufficiently yet. The reduction in debtors is mainly due to repossessions and the capitalisation of arrears and borrowers moving to mortgages to rent, where their arrears are written off.

<b>Loans</b>	<b>31st December 2017</b>	<b>%</b>	<b>31st December 2016</b>	<b>%</b>
<b>Interest Only</b>	22	1%	30	1%
<b>Accounts in Arrears</b>	883	41%	973	43%
<b>Total number of accounts</b>	2156		2270	

Since the same period last year, the numbers on interest only loans has reduced from 30 to 22 and the number of accounts in arrears has decreased by 2%. As can be seen from the above table the number of loan accounts has reduced by 114. Some of this is due to repossessions (7) and transfer to mortgage to rent properties (49).

As a result of the repossessions and mortgage to rent properties €2.3m has been written off the revenue debtor's balance. The write off has mainly been funded through claims against the MARP fund. When the write off is taken into account, the balance on the remaining debtor accounts has increased by €0.7m. The capitalisation of arrears for customers who are in arrears and unable to fund these arrears at this point in time also have an impact on the Debtor balance.

### **Development Levy Debtors**

The short term debtor at the end of December 2017 for Development Levies has increased from €23.8m at 31<sup>st</sup> December 2016 to €40.2m. This figure includes €2.7m for the Water and Sewerage element of the contribution which when collected will be payable to Irish Water.

Properties for which planning permission has been granted are monitored to ascertain if the permission is implemented. Developments that are underway are monitored to ensure that all development levies are paid in full. Where the levy due is large, the Council may agree a phasing arrangement. Given the current financial climate, discussions and re-phasing arrangements may also be agreed with developers who encounter financial difficulties. There is no provision to write-off a levy or part thereof. All levies are pursued and where negotiation of phasing arrangements or payments is unsuccessful, enforcement and legal proceedings are taken to ensure payment.

**Antoinette Power**  
**Head of Financial Accounting**

**17<sup>th</sup> May 2018**





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## **Report to the Finance Strategic Policy Committee**

### **Local Property Tax and Joint Oireachtas Committee on Housing Planning and Local Government**

#### **Background**

At its meeting held in March 2018, the Finance Strategic Policy Committee approved the submission of a report by PMCA Consultants on the review of the Local Property Tax being undertaken by the Select Committee on Budgetary Oversight.

#### **Invitation to Present**

An invitation to attend the Joint Oireachtas Committee on Housing Planning and Local Government was issued to the Finance Strategic Policy Committee Chairperson. It was agreed at the Corporate Policy Group meeting held on 27<sup>th</sup> April that Councillors Ruairi McGinley, Paddy McCartan and Ciaran Cuffe would attend. It was further noted that Dr. Pat McCloughan, PMCA Consultants and Kathy Quinn, Head of Finance would also attend.

#### **Details of Presentation**

Councillor McGinley gave an opening statement (copy attached) to the Committee on 9<sup>th</sup> May 2018. The session lasted for under an hour and gave an opportunity for a useful exchange of viewpoints.

#### **Kathy Quinn**

**Head of Finance**

**With Responsibility for Information & Communications Technology**

## Opening Statement

Dublin City Council Finance Strategic Policy Committee (SPC) welcomes this opportunity to meet the Joint Committee on Housing, Planning and Local Government and would like to thank the Chairperson, members and secretariat in facilitating this presentation.

The issue of Local Property Tax is a topical one both Nationally and Locally.

The Finance SPC had commissioned a study by Dr Pat McCloughan on the topic. This study covers much of the ground that the Report of March 12th of the Budgetary Oversight Committee on Local Property Tax Revaluation has covered.

I believe that there is significant additionality to the work of Finance SPC and also a greater emphasis on Local aspect of Tax.

Our SPC has adhered to the terms of reference set by Minister for Finance and has left aside arguments as regards LPT or possible alternatives.

Our discussions have focussed on legitimacy of tax as perceived by the electorate in the context of Local elections and the changes we see as desirable. People were promised additional services in 2013 which have not been forthcoming. Dublin City Council nett benefit from LPT is €4m in the context of a €900m Budget and €80m LPT collected per annum. In effect just 5% of monies paid by Dublin households have been made available to fund new services in Dublin. Substitution of LPT receipts for previously used tax revenues is a practice only applied in the Dublin area and other major cities. The true level of "equalisation" applied via the LPT is distorted and far removed from what the electorate understands it to be. Dublin City Council applies the maximum 15% discount every year. This flows directly from the electoral mandate of councillors in 2014 and hence it reflects the opinion of the electorate. The CEO and some political parties, most notably the Green Party and the Labour Party, have sought to reduce the 15% discount on the basis of generating funds for services.

The two main factors affecting legitimacy of tax is the lack of 'Local' resourcing from the tax and the fact that 20% of the money collected flows by way of equalisation to other counties in an arbitrary obscure fashion. There is also a concern that certain postal districts are disproportionately affected by the tax and that this tendency will increase in future. There is also disquiet around the lack of direct correlation between movements in property valuation and income, although the tax implies there is. The LPT framework, as structured, further embeds the inequity between the living costs of a similarly paid worker (teacher, nurse, Garda) in rural Ireland and those in Dublin. This could cause our capital to be avoided as a place to live and work owing to a perception of a high living cost environment. One the main points of our report is the need for equalisation on financial grounds for cross subsidising poorer Local Authorities no longer exists and the removal of equalisation would be a positive step forward. To be clear National government should fund this aspect of Local Government funding.

Dublin City Council contains both some of the more affluent areas of the State and also some of the most socially disadvantaged areas. The progressive nature of the tax is dealt with in our report as is the high rate of compliance. The high rate of compliance is a factor in thinking that this tax will remain in place for the future.

Removing the current exemptions particularly for new build will increase the level of resources available for Local Government. Resources are still very scarce as can be seen by the condition of footpaths and road surfaces in the Capital City. These spending areas were the discretionary spending areas reduced in time of financial crisis and they have yet to recover to levels needed for sustainable renewal programmes.

The area of deferral arrangements needs to be looked at. Our SPC had a view that the deferral arrangements were written in a context when a short life for the tax was foreseen. This is not the case, and deferral periods need to be extended beyond current 3 years, and are in need of general review having regard to real issues of people on low income living in valuable properties. Low



income can be associated with aging and also with disabilities, hence the need to take account of this in the scheme of taxation.

We agree with the recommendation of Budget Oversight Committee that a revaluation take place and that valuation factor be adjusted to take account of need for price stability. This is vitally important in the case of Dublin City which has seen property price increases of 100% since the low point of 2012. Tax should be fair to the greatest degree possible, consistent with need to raise funds for local services. The consultation process is an important element in the transparency required for changes post 2019.

Our committee operates on a political cross party basis and the report reflects the views of all members of SPC.

Cllr Ruairi McGinley  
Chair of Finance SPC  
Dublin City Council



## Report to the Finance Strategic Policy Committee

### Development of Social Clauses Measures in the Procurement Process

#### **1.0 Background**

As part of its 2018 Work Programme, the Finance Strategic Policy Committee has included the matter of the development of social inclusion measures in the procurement process. In particular, the work programme provides that Dublin City Council will seek to apply social inclusion measures on a pilot basis to selected contracts.

#### **2.0 Procurement**

In commencing this initiative, Dublin City Council sought expert procurement advice to give guidance on the appropriate procurement measures that would support the successful incorporation of social inclusion measures. Dublin City Council has a Procurement Advisory Service Framework of which Greenville Procurement Limited are a member and are ranked number 2 on the Framework.

The Framework operates by way of cascade method whereby all advisory services are offered to Innovative Procurement Services (IPS) in the first instance, as our ranked number 1 advisor. The Framework is utilised by 13 Local Authorities.

At the time of requesting the advice on Social Clauses/Award Criteria IPS declined the work due to workload and a limited experience in working on tenders that included social clauses and/or a social award criterion.

This report is influenced by engagement with and specific advice from Greenville Procurement Partners Ltd.

#### **3.0 Purpose**

Dublin City Council is embarking on a long-term strategy in order to fully integrate social and employment related considerations into its procurement procedures. Recognising the critical importance of favouring the social integration of disadvantaged persons and members of vulnerable groups amongst the persons assigned to delivering the services required by the Council, it is now proposed to take significant steps towards the employment of long-term job seekers and the implementation of training measures for the unemployed and young persons in the course of performance of certain contracts, commencing with the security services contract to be awarded in the near future. While embarking on this new strategy, Dublin City Council recognises at the same time that as a Contracting Authority subject to the EU public procurement rules, it cannot infringe either the EU Treaty or the public procurement directives, relating in particular to the free movement of persons.

## **4.0 Award Criteria**

As a first step in implementing a proactive programme for social inclusion, one recommendation Dublin City Council intends to use is the relevant award criteria. It is emphasised that contracting authorities such as Dublin City Council are permitted to use award criteria relating to the services to be provided under their public contracts, while at the same time acknowledging that the award criteria should not be chosen or applied in a way that discriminates directly or indirectly against natural persons or economic operators from other Member States. Notwithstanding this consideration, however, it is still possible for the Council to introduce a well-chosen social strategy for the furtherance of a positive long-term social and employment-related policy in the award of certain substantial contracts. Having said that, it must be stated that to date very little practical guidance has been offered by the EU Commission for direct implementation in that regard. The latest Commission guidance on the matter was issued as recently as February 13<sup>th</sup> 2018 by the Regional Policy Directorate, but again it lacks any specific or helpful guidance on how social or employment policy can be put into effect in any practical sense.

Dublin City Council has therefore drawn up its own independent strategy to progress this matter, having examined the various possibilities associated with the use of contract award criteria, variants and contract performance conditions as different options.

### **4.1 Contract Award Criteria**

Under EU rules public contracts should be awarded on the basis of objective criteria, following a comparison of the relative value of tenders in conditions of effective competition in order to determine which tender is the most economically advantageous. Also, to ensure compliance with the principles of equal treatment and transparency all tenderers must be fully informed in advance of all the criteria and rules to be employed in making the award decision for the contract.

The award criteria are chosen in order to identify the best tender on the basis of qualitative and quantitative (cost or price) criteria which are linked to the subject matter of the contract. The criteria should thus allow for a comparative assessment of the level of performance offered by each tenderer.

#### **4.1.1. Social Award Criteria**

The use of social criteria under the banner of “contract award criteria” is expressly allowed under the Public Sector Directive (Dir 2014/24/EU, Para 67(2)), on condition that these are linked to the subject matter of the contract. As with other qualitative criteria, social criteria should be accompanied by specifications which allow the information provided by the tenderers to be effectively verified in order to assess how well the tenders meet the award criteria, with the accuracy of the information provided by tenderers being verified in case of doubt.

Weighting of Criteria

#### **4.1.2. Weighting of Criteria**

Dublin City Council is required to specify, in the procurement documents, the relative weighting which it gives to each of the chosen criteria which collectively will determine the most economically advantageous tender. In cases where a social criterion is used, it will therefore be very important to make a prudent decision on the weighting to be chosen in order to achieve the best outcome for the Council. If the weighting is too high then there is a likelihood of having an over emphasis on the social policy to the detriment of the key elements of the service. On the other hand, if the weighting is too low, tenderers will tend to place little or no importance on the social criterion. Having considered this issue, we are recommending that for the security services contract an appropriate weighting for the social criterion should be 20% with a 50 or 60% minimum score required. This latter rule means that the tenderer cannot ignore the social inclusion requirement as to do so will result in their elimination from the competition.

## **5.0 Target No. 1 – Contract for Security Services**

### **5.1 Security Services**

Security services are included among the social and other specific services listed in annex XIV of directive 2014/24/EU (CPV 79710000). The EU threshold for such services is €750K and the intention to award such services must be advertised by means of a contract notice (or a PIN notice) in the OJEU, containing specific information in accordance with a model notice contained in Annex V, part H of the Directive and incorporated in standard forms established by the Commission (Standard Form 21 in Commission Regulation 2015/1986).

Known as the “light touch regime”, the provisions of Arts 74-76 of the Directive afford considerable scope to contracting authorities in awarding these contracts through their choice of procedures which are not constrained by the formal procedures set out elsewhere in the Directive. It is mandatory to ensure compliance with the principles of transparency and equal treatment deriving from the EU Treaty. This means that the award procedure must be conducted in conformity with the information provided in the standard contract notice and that the methodology for the award of the contract be based firmly on this procedure.

Regarding the implementation of social or employment policy considerations, it is important to highlight any requirements at the commencement of the competition, so that intending participants are aware from the outset of such requirements. This therefore will satisfy the transparency requirements which are so important.

## **6.0 Incorporating Social Requirements**

### **6.1 Application in the Case of the Contract for Security Services**

To begin with the aim is to use the tender documentation to encourage tenderers to enrol long-term unemployed persons into their employ and to equip them with all of the necessary training and skills development requirements appropriate to their particular sector of industry, in this case the private security industry.

In the case of security services there is a strict legislative regime relating to licensing for both the companies involved and the persons employed by them. It is proposed that the Council should include an award criterion directly relating to social conditions as set out below.

### **6.2 Recommended Wording for Social Related Award Criterion**

Dublin City Council intends to use the following award criterion as one of the qualitative criteria in the tender documentation.

	Criterion	Weighting	Maximum Score	Minimum Score Required
(A.)	Social Inclusion Proposal for the Contract	20%	2,000	1,200
In order to support Dublin City Council’s policy of proactively promoting social inclusion and employment, tenderers should describe how they will give effect to a programme of sustainable employment (inclusive of all the appropriate mentoring and training) for resources to be allocated over the life of the contract.				

## **7.0 Conclusion**

Dublin City Council will shortly advertise for security services. This process will incorporate social inclusion measures targeting long term unemployed.

**Kathy Quinn**

**Head of Finance**

**With Responsibility for Information & Communications Technology**

