



**NOTIFICATION TO ATTEND MEETING OF THE FINANCE SPC
TO BE HELD IN THE COUNCIL CHAMBER, CITY HALL, DAME STREET, DUBLIN 2.
ON THURSDAY, 7 APRIL 2016 AT 3.00 PM**

AGENDA

THURSDAY, 7 APRIL 2016

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Finance & Emergency Services Strategic Policy Committee

Minutes of Meeting Held On 21st January 2016

1. Minutes of the meeting held on 19th November 2015

Minutes agreed. Minutes proposed by Cllr. N. Reilly and seconded by Cllr. McCartan

2. Matters arising

Change of Meeting Time – Future meetings will commence at 3.00pm

Emergency Services report – Cllr. Carr requested that the report relating to the emergency services would be issued to the members. He further requested that it would be listed as an agenda item for discussion at the next meeting. **Agreed:** This report, when published, should be made available to the Committee for discussion at the next meeting.

Release of Internal Audit Reports – K. Quinn clarified that it will now be proposed to the Audit Committee that the current arrangement of annual reviews of the Internal Audit follow up process will be reduced to 6 monthly reviews. This would then allow the release of reports to members. This matter will be proposed to the Audit Committee at the meeting on 11th February and K. Quinn will revert to the members at the next committee meeting. Cllr. McGinley clarified that these reports would become available to the SPC members after this review process is completed.

Agreed: Cllr McGinley agreed that clarification would be verified with the Audit Committee on the issue of releasing Audit Committee reports under FOI.

Cllr Reilly stated that as a member of the Audit Committee, she would be happy with this proposed process.

Temple Bar Cultural Trust – An update report was circulated to the members and Cllr. McGinley drew attention to the final paragraph of this document.

Agreed: Clarification was sought on the arrangements for existing tenants in the event of a new owner purchasing a TBCT related building.

Agreed: Clarity to be sought on the final numbers of properties that may be sold to tenants.

It was noted that the upcoming General Election will delay the passing of the necessary legislation to allow the dissolution of the Trust.

Pyrite Works – report from Peter Finnegan, Structural Engineer – Cllr McCartan welcomed this report and noted that currently two construction firms listed in this report are still in operation with websites detailing their extensive work to date.

Cllr. McCartan acknowledged that he can understand that when other firms have gone out of business that difficulties would occur regarding remedial works.

Cllr. Reilly queried the insurance cover that exists around the pyrite issue and whether Dublin City Council would be covered. She reiterated that Dublin City Council should be going after the contractors in this situation.

Cllr Ring asked that the true cost of this situation should be established to include staff costs, foregone rents and alternative accommodation provision.

Cllr Flynn queried the plans to prosecute the accountable individuals concerned as this is a moral, ethical and criminal issue.

Cllr. McGinley queried if loss adjustors had been engaged to establish the true cost as referenced by Cllr. Ring. He further noted that the Law Department should examine whether corporate responsibility issues can be identified and whether criminal matters are at work here that should be referred to the Director of Public Prosecutions.

K. Quinn summarised the position as follows:

- Companies, where possible, are being pursued by the City Council through the courts;
- Funding for remedial works for social housing developments are being pursued with the Department of Environment;
- On the insurance issues raised, BRL pushed a pioneering case and the legal issues are being explored;
- The issue of loss adjustors being engaged will be queried;
- All angles are being pursued in this matter to minimise the hit for Dublin City Council;
- As referenced previously, pyrite can take time to appear and it would be wrong to say that this is the extent of the situation.

Agreed: K. Quinn will come back to the Committee with details on the engagement of loss adjustors, corporate responsibility issues and the cost of staff involved etc.

Cllr. McCartan enquired whether any other local authorities had been affected by this issue and these companies. G. Quin enquired about what certainty is there that new developments going forward are free from this problem. **Agreed:** these two issues would be examined.

Dr. McMullan queried why the Home Bond did not cover this situation. **Agreed:** Correspondence would issue to the Home Bond on this matter.

3. Hotel Bed Tax

An overview report from the Head of Finance on this issue with templates compiled by EY Consultants was circulated to members. These templates set out the position of hotel bed tax rates in comparative European cities of Barcelona, Amsterdam, Milan and Vienna.

Cllr. Freehill emphasised the EU requirement of subsidiarity and the current Irish position of the increased centralisation of powers. She queried the lack of powers to introduce this tax as promises had been that the 2014 local government legislation would allow local taxes to be raised. Cllr. Freehill asked that the Head of Finance would query this lack of power with the Law Agent. She hopes that this item remains on the agenda and that the discussion could be broadened to see what this proposal could offer Dublin.

Cllr. McCartan welcomed the report and while he agrees with the motivation behind the proposal, he queried if this was some ~~Page 2~~ of an academic discussion if the

current legislation does not allow it. He further noted that the growth in the economy is fragile at the moment and would not like to do anything that would add to the cost of hotel bedrooms despite the motivation behind this motion. Acknowledging that room rates have increased over recent times, he pointed to the significant overhead in the rates paid already.

Cllr. Carr referred to the IHF and ITIC update circulated and noted that the argument put forward by the industry around the issue of bed capacity and falling demand is somewhat contradictory. With regard to their claim of increased labour costs, he referenced the fact of their failure to enter into an REA with staff. He requested that a delegation of members should meet with the new Minister to discuss this proposal and also to engage on the introduction of the enabling powers of legislation.

Cllr. Ring noted that he fundamentally disagrees with the bed tax because notwithstanding the expense that the Council would incur introducing and administering this tax, the Government would not allow the Council to keep this extra money. He drew comparisons with the local property tax situation where Dublin provided €80m and profited by only a net €4m as the Government reduced other grants. He further referenced a DCBA report which noted that the Failte Ireland funding of Dublin was 6% whereas Dublin generated over 30% of the tourism industry business. He felt that Failte Ireland should be left to market Dublin and not Dublin City Council.

Cllr. Flynn noted that there is merit in the motion and agrees with any tax that facilitates the enhancement of the arts in Dublin. He agrees that the Law Agent's opinion should be sought on this matter and research should be undertaken on the European standard in this area. He noted that there are a lot of taxes and rates on businesses in the city as well as the BID. He suggested extending the BID and taking that money and investing it into the arts. He further suggested that the hotel industry should be shown that this proposal would support and enhance the full spectrum of the arts in the city. He concluded by proposing that this tax should be extended out to the Dublin region.

Cllr. MacDonncha noted that he agreed with both arguments on this issue. He pointed out that this discussion not only highlights the bed tax issue but also the additional contribution that the hotel industry could make to the city and agrees that it should remain on the agenda. He noted that he agreed that the IHF update was contradictory. He referenced the rate hikes that occur around the time of big events in the city which can discourage people, in particular from Ireland, from staying in the city.

G. Quin referenced the Grow Dublin Tourism Alliance that has been set up under the auspices of Failte Ireland and detailed the membership of this representative group. This group funded the "Breath of Fresh Air" international campaign to promote Dublin. Discussions are ongoing around the funding of these campaigns and she suggested inviting either Michael Carey, Chair of the group or the Dublin representative from Failte Ireland to present to the SPC. She noted a comprehensive report commissioned by the GDTA by Fitzpatrick Associates on bed capacity which should be available shortly for publication. She referenced the statistics around capacity in Dublin, the demand led rates charged due to the shortage of beds and the slowness in hotel builds due to the economic factors for developers not stacking up. She concluded by suggesting that the Committee should invite either Seán Quinn, CEO of Failte Ireland, the Dublin representative from Failte Ireland or Michael Carey to a meeting to talk further on these initiatives.

Dr. McMullan agreed that clarity on the legislative basis of this tax should be sought. She further recommended that projects that could be undertaken with funding from this tax should be identified illustrating the mutual benefits to both the hoteliers, tourists and citizens of the city. These could present a compelling case to convince the stakeholders that the monies would be put to an effective purpose for the benefit of all.

Cllr. Reilly is unsure of this tax and how it might be perceived. She further welcomed the clarification to be sought on the legal status of the proposal. She enquired around the demographic of the hotel bed shortage and referenced the homeless crisis allocations in her own electoral area. Without these allocations, these hotels would be empty. She sought information on the impact of the homeless crisis on the overall bed shortage.

Cllr. McGinley welcomed the report from the Head of Finance showing comparative figures for other capital cities. He referenced his involvement with this proposal back in 2001 and attending meetings with the Department of Finance seeking the powers to levy this tax and noted the lack of progress at that time. Referring to the note from the meeting of the 12th January with the Irish Hotel Federation and Irish Tourist Industry Confederation, he pointed out that investment is required to build new hotels and this should not be discouraged. A new tax at this time might bring uncertainty and this should be borne in mind. He also noted Cllr. Ring's comments regarding retention of these monies is well made. With regard to the Local Government Act 2014, Cllr. McGinley noted that the Community Fund section of the legislation for revenue raising was very specific and may not be appropriate to a capital city. He pointed out that it is acknowledged that the industry is making money however they are facing increasing costs and retention of staff issues. Cllr. Carr interjected by restating that the hotel industry has failed to enter into an REA. A frank discussion followed around the issue of the payment of the minimum and above rates of pay in the sector.

Regarding the Grown Dublin Tourism Alliance, it was noted that the Dublin City Council representative is Brendan Kenny.

E. Fleming referenced the REA discussion and pointed out that this is not strictly a trade union issue. Employees are looking for job security as well as appropriate rates of pay. In the past this was the situation however in the current times it can be difficult to establish why there are so many staff of non-Irish background, although he has no objection to this fact. He explored the possible reasons around this development. REA's do not apply to just union staff they are applied across the board. He noted that the lowering of VAT rates did not have a corresponding lowering of food prices in restaurants etc. He supports this proposal going forward and felt it has very good merit.

K. Quinn provided clarity to the Committee on the relevant sections of the Local Government Act 2014 regarding the provisions relating to the community fund, stating the example of the building of a swimming pool or the holding of a specific event. She outlined the process, restrictions and the charging liability contained in this legislation. She further outlined the requirements necessary for the levying of a hotel bed tax.

Cllr McGinley summarised the options available to the members at this point:

- Take a further report to the next meeting having corresponded with the relevant bodies referred to during the discussions;
- Establish a small working group comprised of members of this committee.

On the suggestion of Cllr. Carr of meeting with the Minister, Cllr McGinley clarified that further research/work on a proposal for its introduction would be required before approaching the Department regarding this issue.

Agreed: Cllr McGinley felt that the consensus of the Committee was that they would wait until after the General Election but in the meantime, the Committee will do some further research on this matter and list it as an agenda item. It was also agreed that a further report would be sought from the Law Agent providing clarity on the powers available and restrictions in relation to the last Local Government Act.

4. Lobbying Act – Transparency Code and Requirements

Cllr McGinley drew attention to the requirements under this legislation and noted the updates from the meetings held with the Irish Hotels Federation and the Irish Tourist Industry Confederation.

K. Quinn noted that it would be her intention to periodically put this item on the agenda to allow members to make any necessary declarations around Committee agenda items.

Agreed: Cllr. McGinley requested that a quarterly report would be provided to the Committee detailing reports involving Dublin City Council listed on the Lobbying Act Register somewhat like the Freedom of Information requests detailed in the Manager's report.

5. Audit Committee – Minutes of 24th September 2016

Minutes noted. Cllr. McGinley noted that they are provided for information purposes. Cllr. Flynn requested that it be noted that with regard to his request around the availability of Internal Audit reports, he believes that all these reports should be made available as soon as possible to all Council Members.

6. A.O.B.

Eastlink Bridge – It was agreed that a report would be presented on the new company established relating to the bridge. This report would include details on the legality of the company, costs, liabilities and the work programme.

Acquisitions Committee – Cllr. Flynn requested the establishment of an Acquisitions Committee and it was agreed that correspondence would issue to the Chief Executive for consideration of this proposal.

Overtime Report – Following a request from Cllr. Flynn regarding the provision of a monthly overtime report, Cllr. McGinley clarified that this request is not a matter for this Committee and can be made available through other channels such as monthly council questions, budget meetings etc.

Signed: **Councillor Ruairi McGinley**
Chairperson

Date: 21st January 2016

Attendance:

Members

Councillor Ruairi McGinley (Chairperson)
Councillor Paddy Bourke
Councillor Brendan Carr
Councillor Paddy McCartan
Councillor Micheál MacDonncha
Councillor Noeleen Reilly
Councillor Nial Ring
David Brennan, DCBA
Eric Fleming, ICTU
Dr. Caroline McMullan, DCU
Joanna Piechota, Irish Polish Society
Gina Quin, Dublin Chamber of Commerce

Councillors – Non Members

Cllr. Mary Freehill
Cllr. Mannix Flynn

Officials

Kathy Quinn, Head of Finance
Fiona Murphy, Senior Staff Officer, Finance Secretariat
Fiona Collins, A/Assistant Staff Officer, Finance Secretariat

Apologies

Aidan Sweeney, IBEC
Councillor Brid Smith
Councillor Larry O'Toole
Councillor Tom Brabazon
Councillor Dermot Lacey
Councillor Ray McAdam

Press

Olivia Kelly, Irish Times
Alan O'Keeffe, Independent Group



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

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Conor Taffee
Managing Director
HomeBond
Construction House
Canal Road
Dublin 6

24th March, 2016

Re: Pyrite Works in Dublin City Council Properties

Dear Mr. Taffee,

I refer to my letter to you of the 1st February 2016 (copy attached) and note from our records that we have not received a response to date.

The Finance Strategic Policy Committee are scheduled to meet on Thursday 7th April 2016 and it would be appreciated if your correspondence could issue in advance of this date indicating your response and advising whether a representative of your company will be attending this meeting.

Yours sincerely,

Kathy Quinn
Head of Finance
With responsibility for Information & Communications Technology

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Premier Guarantee
C/O OSG
OSG Head Office
Merrion Hall
Strand Road
Sandymount
Dublin 4

1st February, 2016

Re: Pyrite Works in Dublin City Council Properties

Dear Sir/Madam,

At the meeting of the Finance & Emergency Services Strategic Policy Committee held on 21st January 2016, the Committee discussed the issue of pyrite remedial works on Dublin City Council affected housing projects. It was agreed that correspondence would issue to Premier Guarantee seeking clarification on why the premier guarantee did not covered these remedial work repairs.

The next SPC meeting is scheduled for Thursday 24th March 2016 @ 3.00pm and a response to this letter would be appreciated by Thursday 10th March 2016. The Committee have also extended an invitation to attend the next meeting to present your views on this matter and it would be appreciate if you could contact me at the details above to discuss your attendance.

It is our understanding that OSG acts for Premier Guarantee hence the issue of this letter to your company. If this is not the case, please advise immediately so that correspondence can issue to Premier Guarantee at their UK base.

Yours sincerely,

Kathy Quinn

Head of Finance

With responsibility for Information & Communications Technology

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Kathy Quinn,
Office of the Head of Finance,
Finance Department,
Civic Offices,
Wood Quay,
Dublin 8.

FINANCE SECRETARIAT
26 JAN 2016
BLOCK 1 FLOOR 8
CIVIC OFFICES

Údaras Forbartha Dughailte
Baile Átha Cliath

Dublin Docklands
Development Authority

21st January 2016

Re: Finance and Emergency Services Strategic Policy Committee

Dear Kathy,

I refer to your letter dated 5th January 2016 requesting copies of the Dublin Docklands Development Authority 2014 accounts.

The 2014 accounts are due to be presented to the Minister at the end of January 2016. The Minister then has 3 months to present them to the Oireachtas. Once the accounts are presented they are available to the public and I will send you a copy.

Yours sincerely,

Paul Clegg

Interim Chief Executive Officer

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**Report to An t-Ard Mhéara and
Members of the City Council**

2 March 2016

Dissolution of Dublin Docklands Development Authority

I wish to advise you that the Dublin Docklands Development Authority (DDDA) was officially dissolved yesterday (i.e. on 1 March 2016) in accordance with the Dublin Docklands Development Authority (Dissolution) Act 2015 following the signing of the relevant Orders by the Minister of Environment, Community and Local Government, Mr Alan Kelly T.D.

All functions, assets, risks, records and liabilities which were previously the responsibility of the Authority have now been transferred to the City Council. All references to the Authority in legal documents shall now be construed as references to the City Council.

There is at present some uncertainty as to the exact financial position of the DDDA at dissolution. The Department has agreed to review the financial position when greater certainty exists in a number of months time. The uncertainties include the final cost of resolving certain on-going legal proceedings involving the former Authority (including Longboat Quay) and the future pension liabilities of former DDDA staff members. It has been made clear to the Department that the Council's position in relation to assuming responsibility for the DDDA on dissolution is that the normal arrangements that apply on the transfer of entities between public bodies should apply – namely that it should be cost neutral to the receiving entity as far as possible.

A number of significant assets have transferred to the City Council. It is likely that the value of these assets (as agreed between the City Council and the Department) will be offset against the expected negative net financial position of the DDDA on dissolution. Consideration is being given to the potential use of these assets (see Appendix 1). This will be subject to a future report/reports to Elected Members in due course.

The Authority's Master Plan and Planning Schemes have ceased to have effect from 1 March 2016. Accordingly the Section 25 planning process has also ceased and the City Council has become the sole planning authority for the Docklands area. The City Council

has been the Docklands planning authority for all intents and purposes since the Strategic Development Zone (SDZ) came into operation. The City Council will shortly publish an advertisement inviting applications from holders of Section 25 Certificates who wish to have their developments deemed ‘substantially’ commenced to apply for an extension of time to complete the developments in accordance with the granted Certificates.

When the Government decided to dissolve the Authority in 2012, it simultaneously designated lands at North Lotts and Grand Canal Dock as an SDZ. The SDZ, which was approved by An Bord Pleanála in May 2014, is a holistic plan-led approach with fast track planning procedures. On the basis of the development capacities set out in the SDZ, the 22ha of available lands will accommodate an estimated 2,600 residential units and 305,000m² of commercial floor-space, which equates to a residential population of circa 5,800 and circa 23,000 workers.

The City Council is committed to maintaining a full time staff presence in the DCC Docklands Office on Custom House Quay under Deirdre Scully Senior Planner, who will deal with all planning issues, and Darach O’Connor, Administrative Officer who will deal with all other issues.

In accordance with the Dissolution Act, the Council will shortly establish a Docklands *Oversight and Consultative Forum* to consider and advise the Council with regard to enterprise and employment, education, housing, planning, environment and community interaction issues in the Docklands area. The membership of the Forum will consist of the following:

- A chairperson
- 5 community development representatives
- 5 representatives of the business community
- 1 education representative
- 5 public authorities
- 4 locally elected councillors

The DCC Docklands Office will work with the Elected Members and the Forum to build on the achievements of the Authority in terms of facilitating quality regeneration and urban place-making, employment creation, community engagement and marketing of the Docklands internationally and thereby ensure the continued social, economic and physical regeneration of the area.

Owen P Keegan
Chief Executive

Appendix: Potential Use of Former DDDA Assets that have transferred to the City Council

Asset	Future plans
Offices on Custom House Quay	<p>A feasibility study has been undertaken to examining the options for:</p> <ul style="list-style-type: none"> • incorporating an interpretative centre for the Jeannie Johnson, • re-positioning the boat to achieve the optimum visual position, • enabling the City Council to maintain a significant physical presence on site and • the potential use of the offices as a hub for docklands maritime heritage and community activities.
Ducting Network	<p>The Authority, following a competitive dialogue process, has tendered for an operator to manage the existing fibre optic network and to extend the network into the Docklands SDZ area. It is envisaged that this service will provide an economic return to the City Council and will be a platform for facilitating the Council’s ‘Smart City’ initiative.</p>
Cooke’s Bakery, 3/4 East Road	<p>This site is earmarked for social housing.</p>
Jeannie Johnson	<p>A financial feasibility study has been completed. It is envisaged that the ship be repositioned and form an integral part of an overall Dublin Dockland’s Tourism and Heritage Strategy, creating strategic linkages with the proposed Epic Museum in the CHQ building and providing an attractive offering for sea cruise tourists. The redevelopment of the offices (please see above) to incorporate a dedicated Jeannie Johnson interpretative centre is also being considered.</p>
Georges Dock Platform	<p>The platform is now managed by the Council’s Events Section. It is envisaged that major civic events will take place here in this unique maritime setting.</p>
Community Training Workshop on Sherriff Street	<p>It is proposed that this will continue to be used as a Community Training workshop.</p>

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Report to the Finance Strategic Policy Committee

Update on Property Disposals by Temple Bar Cultural Trust

At the meeting of the Finance Strategic Policy Committee on 21st January 2016, the issue of property disposals by Temple Bar Cultural Trust (TBCT) was raised. It was agreed that correspondence would issue to Brendan Kenny, ACE, Community, Culture, Economic and Emergency Services Department seeking an update on a number of issues.

Brendan Kenny has confirmed that no disposals of TBCT commercial properties have yet been finalised. A total of eleven (11) tenants ultimately signalled their interest in purchasing and provided evidence of their financial capacity to do so. They did this within the timelines that had been set by TBCT. It is not yet fully clear that all eleven will progress to finalisation but if they do the total sale price amounts to €2.7 million.

Kathy Quinn
Head of Finance
With responsibility for ICT

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Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

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Brendan Kenny
Deputy Chief Executive
Ground Floor, Block 4
Civic Offices

25th January, 2016

RE: Temple Bar Cultural Trust

Dear Brendan,

At its meeting held on 21st January 2016, the Finance and Emergency Services Strategic Policy Committee discussed the matter of the proposed disposals of property owned by Temple Bar Cultural Trust (TBCT)

It was agreed that a report would be requested on the arrangements for existing tenants in the event that a new owner purchases a TBCT related building. It was also agreed that clarity would be sought on the final numbers of properties that may be sold as the report referred to a range of properties (between 6 and 8).

The next meeting of the SPC is scheduled for Thursday 24th March 2016 at 3.00pm. Please provide your report to me no later than Thursday 10th March 2016.

Yours sincerely,

Kathy Quinn
Head of Finance
With responsibility for Information and Communications Technology

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Owen Keegan
Chief Executive
Floor 4, Block 4
Civic Offices

25th January, 2016

RE: Proposal for Acquisitions Committee

Dear Owen,

At its meeting held on 21st January 2016, the Finance and Emergency Services Strategic Policy Committee discussed the matter of the establishment of an Acquisitions Committee.

It was agreed that this proposal would be put to the Chief Executive for consideration.

Yours sincerely,

Kathy Quinn
Head of Finance
With responsibility for Information and Communications Technology

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Report to the Finance Strategic Policy Committee

Hotel Bed Tax

At the meeting of the Finance Strategic Policy Committee on 21st January 2016, the issue of the introduction of a Hotel Bed Tax was considered. It was agreed that a further report would be sought from the Law Agent seeking further detail on the legal capacity of Dublin City Council to make a charge relating to a hotel bed tax. Set out below is a summary of the advice received from Terence O’Keeffe, Law Agent:

The Law Agent was asked to advise whether Dublin City Council has a legal basis for imposing a bed tax on hotels / bed and breakfast establishments in Dublin. The idea would be that the tax would be collected by the hoteliers and passed on to the local authority for expenditure on specified purposes.

In order to carry out any of its functions a local authority must first have a legal power imposed by statute in order to do so. The primary governing statute in this regard is the Local Government Act 2001-2014.

The Law Agent cannot find any power in that Act to impose a bed tax on hoteliers. There are wide powers given to the local authority to promote the interests of the local community etc. However, there is a big difference between promoting the interests of a local community and requiring hoteliers to impose a tax.

Section 66B of the Act imposes an obligation on each local authority to make a 6 year local economic and community plan. The section goes on to set out what the plan should try to achieve and the way in which it should be done. Subsection (3) sets out what shall be deemed to be promotion of local and community development and at paragraph (f) provides as follows:

“Exploiting and coordinating funding sources from the public, private and community and voluntary sectors to stimulate and support local development and sustainability”.

The Law Agent has confirmed that there is no provision in the Local Government Act 2001-2014 to impose this tax. There is a requirement on Local Authorities under the legislation to prepare an Economic and Community plan. There is provision for exploring funding mechanisms to stimulate and support local development.

There is no specific provision in the legislation that authorises a local authority to impose a hotel bed tax and any such tax could, in his view, only be imposed with the co-operation of the Hotel industry”.

I trust this clarifies the legal position on this matter.

Kathy Quinn
Head of Finance
With responsibility for ICT

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Declan Wallace
Assistant Chief Executive
Block 2, Floor 4
Civic Offices

25th January, 2016

RE: East Link Bridge

Dear Declan,

At it's meeting held on 21st January 2016, the Finance and Emergency Services Strategic Policy Committee discussed the new management arrangements for the East Link Bridge.

It was agreed that a report would be requested on the new company established relating to the bridge. The report should include details of how the bridge will be managed, costs, programme of works etc.

The next meeting of the SPC is scheduled for Thursday 24th March 2016 at 3.00pm. Please provide your report to me no later than Thursday 10th March 2016.

Yours sincerely,

Kathy Quinn
Head of Finance
With responsibility for Information and Communications Technology

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An Roinn Comhshaoil agus Iompair, Bloc 2, Urlár 6,
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Report to the Finance Strategic Policy Committee

The operation of Ringsend Toll Bridge Designated Activity Company (DAC)

Introduction

On the 1st of January 2016, Ringsend Toll Bridge DAC took over the running of the toll scheme at the Eastlink on behalf of Dublin City Council. Ringsend Toll Bridge DAC is wholly owned by Dublin City Council and undertakes on DCC's behalf the operation of the Toll scheme at this location.

Eastlink Ltd had previously undertaken this role under a concession agreement and a formal process of Transfer of Undertakings (TUPE) was initiated such that all Eastlink employees transferred to the new company with the same terms and conditions of employment including their pension arrangements.

This transition occurred seamlessly at midnight on the 31st of December 2015 with no requirements to halt the tolling operation or close the Bridge and with no staff issues being raised regarding their transfer of employment.

Staff Numbers

Ringsend Toll Bridge DAC employs 23 full time staff and another 5 part time staff and also has maintenance and operations contracts for the Tolling equipment, management services and bridge lifting maintenance.

The lifting of the Bridge (now to be named the Tom Clarke Bridge) is still being carried out by Dublin Port Company employees as before under the control of harbour master as per the 1984 agreement.

Governance

The Chief Executive appointed Brendan O'Brien, Head of Technical Services, Terence O'Keefe, Law Agent, to the Board of the Ringsend Toll Bridge DAC along with Enda Currid of the Finance Department, two Councillors, Chris Andrews and Ciaran Cuffe have been nominated as Board members and Dublin Port will also have a board member.

The Ringsend Toll Bridge DAC (RTB) undertakes the physical collection of tolls and all maintenance activities but all revenue from these tolls goes directly to Dublin City Council with RTB invoicing Dublin City Council for all its operational costs in so doing.

Financial Information

The cost of the toll collection, maintenance activities and the payment of rates etc is €3.7 million in 2016, toll revenue is budgeted at €9.8 million for 2016 with the HGV rebate scheme anticipated to cost around €850,000 in 2016.

The Chief Executive has agreed that the current community payment of €124,000 will continue as before.

New Works

DCC has also engaged consultants to review the current poor pedestrian and cycling arrangements on the bridge and to investigate what steps can be taken to improve them, the signage for naming of the bridge and ensuring that it is bilingual is underway.

Declan Wallace
Acting Director of Traffic

10th March 2016

Report to the Finance Strategic Policy Committee

Rates Debtors 31st December 2015

The Local Government (Financial Procedures and Audit) No 2 regulations 2014 provide that a rating authority on completion of the schedules of uncollected rates at the end of each financial year submits a report to the members of the Local Authority.

This report on commercial rates arrears at the 31st December 2015 sets out the following information:

- 2015 Local Authority Sector target improvement for rates collection
- Background on financial adjustment and impact on commercial rates
- Level of arrears during the period 2010 - 2015
- Rates Collection Percentage Y2012 – Y2015
- Age Profile of the 2015 arrears
- Analysis of the 2015 arrears accounts
- Analysis of the 2015 arrears by rate description category
- 2015 arrears schedule status
- 2015 arrears by electoral area
- Valuation tribunal appeals
- Conclusion

2015 Local Authority Sector target improvement for rates collection

A local government debt management project group was set up in the 1st quarter 2015 which consisted of representatives from a number of Local Authorities, the DECLG and the LGMA in response to a government review of the collection of all public sector debt. Commercial rates arrears of €400M were outstanding within the sector and the focus of the group was to:

- Achieve a target improvement in rate collection for each authority
- Improvements in collection and administration of debt management procedures

The target reductions as assigned were banded as below with the low performing authorities required to reduce arrears by a higher percentage in comparison to the high performing authorities.

	Collection % range 2014	% arrears target reduction 2015
Band 1	Above 75%	10%
Band 2	61% - 75%	12.5%
Band 3	50% - 60%	15%
Band 4	Below 50%	21%

The 2015 target for Dublin City Council was a 10% reduction requiring arrears to reduce from €62.6M to €56.3M.

Background on the Financial Adjustment and Impact on Commercial Rates

The City Council is far from isolated from the impacts of the economic recession and is acutely aware of the severity of the economic downturn and its impact on ratepayers and subsequent financial impact on Council resources. It should be noted that the City Council's 2016 revenue budget is 40% funded by commercial rates and therefore the performance on rate collection is critical to the funding provision of services.

I have set out in the table below, details of movement in the Council's ARV since 2010, along with movements in the CPI. The Council's ARV has decreased over the period and it has been reduced in every year from 2010 – 2015 and remains at the 2015 level for 2016 notwithstanding increases in the CPI.

Table 1 – Movement in Annual Rate on Valuation

	2010	2011	2012	2013	2014	2015	2016
CPI	-0.9%	+2.2%	+1.0%	+0.7%	+0.4%	+1.1%	+1.5%
ARV	-2.0%	-0.69%	-1.7%	-0.5%	-0.4%	-0.5%	0.0%

Whilst the annual reduction in the Council's ARV over the period was modest, the cumulative value is estimated at €105.5M. The performance of Dublin City Council in the area of commercial rates and other charges it imposes on the business sector compares favourably with the performance of various regulated public utilities including the gas and electricity sectors and also the public transport sector where above inflation price/fare increases have been the norm over recent years.

The commercial rates annual charges over the period 2012 – 2016 are detailed in table below.

Table 2 – Commercial Rates Income

Year	Rates Income €
2012	341,260,508
2013	341,150,111
2014	342,234,446
2015	336,255,813
2016	320,305,036

Source: The above figures are taken from the AFS and the 2016 Revenue Budget

The 2015 income reduction of €6m is primarily due to the financial loss resulting from a reduction in commercial valuations following appeals to the Valuation Office and Valuation Tribunal against the valuations as determined following the revaluation of commercial property as effective from 1/1/14. The 2016 income reduction of €16m is primarily due to the financial

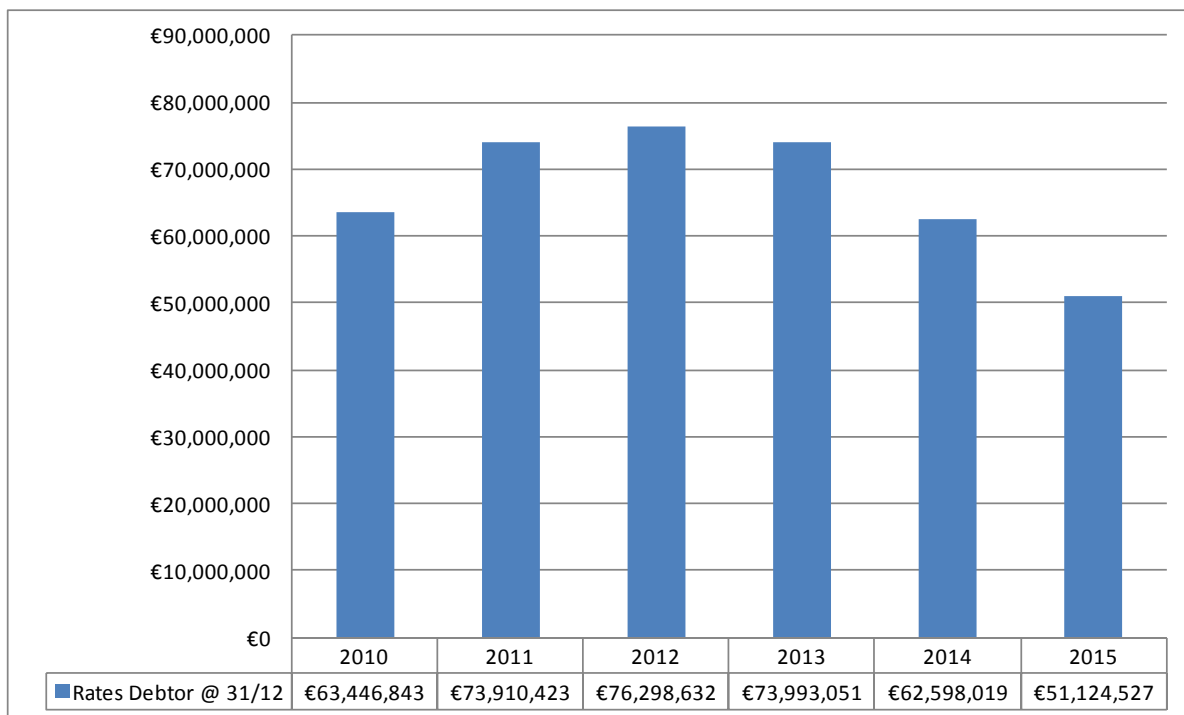
losses of appeals to the Valuation Tribunal; reductions in global valuations and the exemption of rates on the Irish Water network. The loss of commercial rates funding on the Irish Water network is compensated by an equivalent DECLG grant payment direct to the local authority of €14.3m in 2015.

It should be noted that the City Council has reduced expenditure from €926.8m in 2008 to €803.6m in 2016 in response to contracting exchequer grants and reductions in goods / services funding and conscious of the financial pressures on the commercial sector and the need to respond positively in exercising constraint in setting the Annual Rate on Valuation in order to support competitiveness in the economy.

Level of Arrears During the Period 2010 – 2015

The economic downturn and global financial crisis which initiated the recession has significantly impacted and is correlated to the increase in arrears to 2012 and the table below clearly outlines the changing level of arrears over the period. The reduction in arrears from €76.3M in 2012 to €51.1M in 2015 is primarily due to an improvement in the annual % collection, a focused debt management approach, improvement in economic factors and the conclusion of liquidation / receivership cases.

Graph 1 – Rates Debtor Y2010 – Y2015



Rates Collection Percentages Y2012 – Y2015

Table 3 below outlines the year on year improvement by DCC in the collection of rates having increased collection performance by 6% since 2012.

This compares favourably with the comparative average of the Irish Local Authority Sector being 76%, 77% and 77% respectively for the years 2012 - 2014. The 2015 DCC collection performance improved by 2% to 86%.

No 2015 comparative figure for the sector is available to date.

Table 3 – Analysis of DCC Rates Collection Y2012 – Y2015

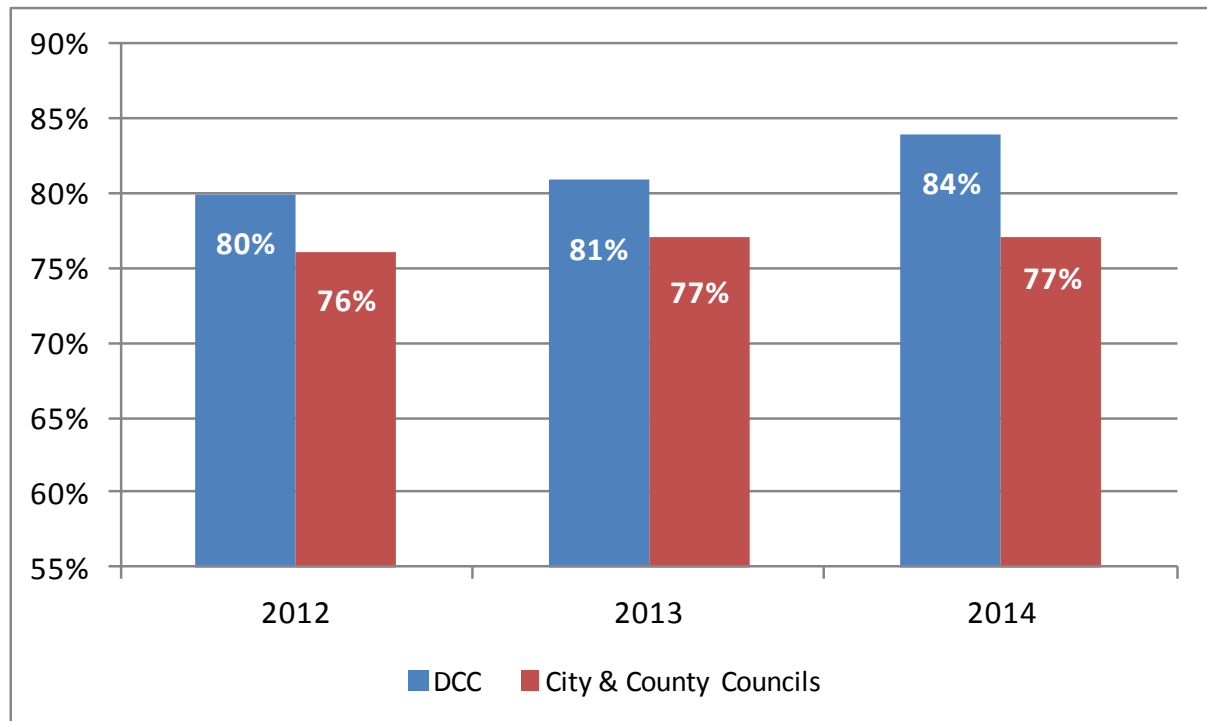
Year	Arrears 01-Jan	Charge	Write Off	Total for Collection	Receipts	Arrears 31-Dec	% Collected
2012	73,910,423	341,260,508	36,849,042	378,321,889	302,023,257	76,298,632	80%
2013	76,298,632	341,150,111	37,789,463	379,659,280	305,666,229	73,993,051	81%
2014	73,993,051	342,234,446	33,699,776	382,527,721	319,929,702	62,598,019	84%
2015	62,598,019	336,255,813	33,621,660	365,232,172	314,107,645	51,124,527	86%

Source: Annual Financial Statements 2012 – 2015

The increase of €14.2m in the 2014 receipts compared with 2013 is primarily due to changes in valuation of the global, multi and interdepartmental categories which had a net increase in valuation of €10M. The balance of €4.2M refers to an improved performance in the other commercial sectors. The reduction in receipts of €5.8M in 2015 compares favourably in comparison with the reduction of the total warrant for collection €17.3M (arrears + annual charge) between 2014 and 2015.

It should be noted that on average €14m per annum is written off in respect of vacancy refunds (50% of rates due on vacant premises) as provided by S71 of the L G Dublin Act 1930 as amended by S31 of the Local Government Act 2014. In addition, amounts of €4.7 M and €2.3 M were written off in 2014 and 2015 respectively following appeals on valuation to either the Commissioner of Valuation or the Valuation Tribunal. The balance of amounts written off is primarily in respect of those cases where debt recovery procedures have been exhausted and there is no prospect of recovery.

Graph 2 – DCC vs City and County Councils Rates Percentage Collection

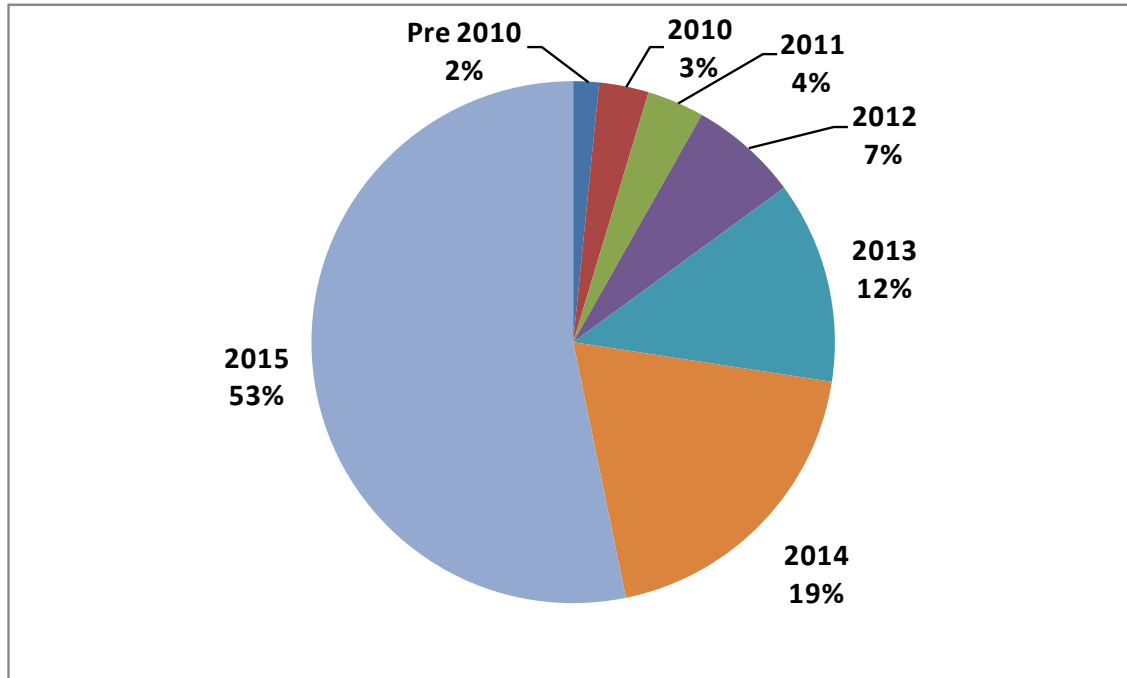


Source: Annual Financial Statements 2012 & 2013
DECLG Local Government Audit Service Activity Report

Age Profile of the 2015 Arrears of €51.1m

The graph as below shows that €27.1m (53%) of the arrears comprise of charges accrued in respect of 2015 and €9.7m (19%) refers to charges accrued in 2014 with the balance of €14.3m (28%) in respect of charges pre 2014.

Graph 3 – Age Profile of 2015 Arrears



Analysis of the 2015 Arrears Accounts

There are 6773 accounts in arrears @ 31/12/15 which equates to 33% of the total number or rate accounts in 2015 (20,677 rate accounts). The number of accounts in arrears has reduced by 637 in comparison with 2014 (reduction of 8.6%) which reflects the positive performance in debt management. The table below shows that 61% of those accounts in arrears have an annual charge below €5,000. In addition, 83% of the arrears value (€43m) relates to accounts where the annual rates charge ≤ to €50,000.

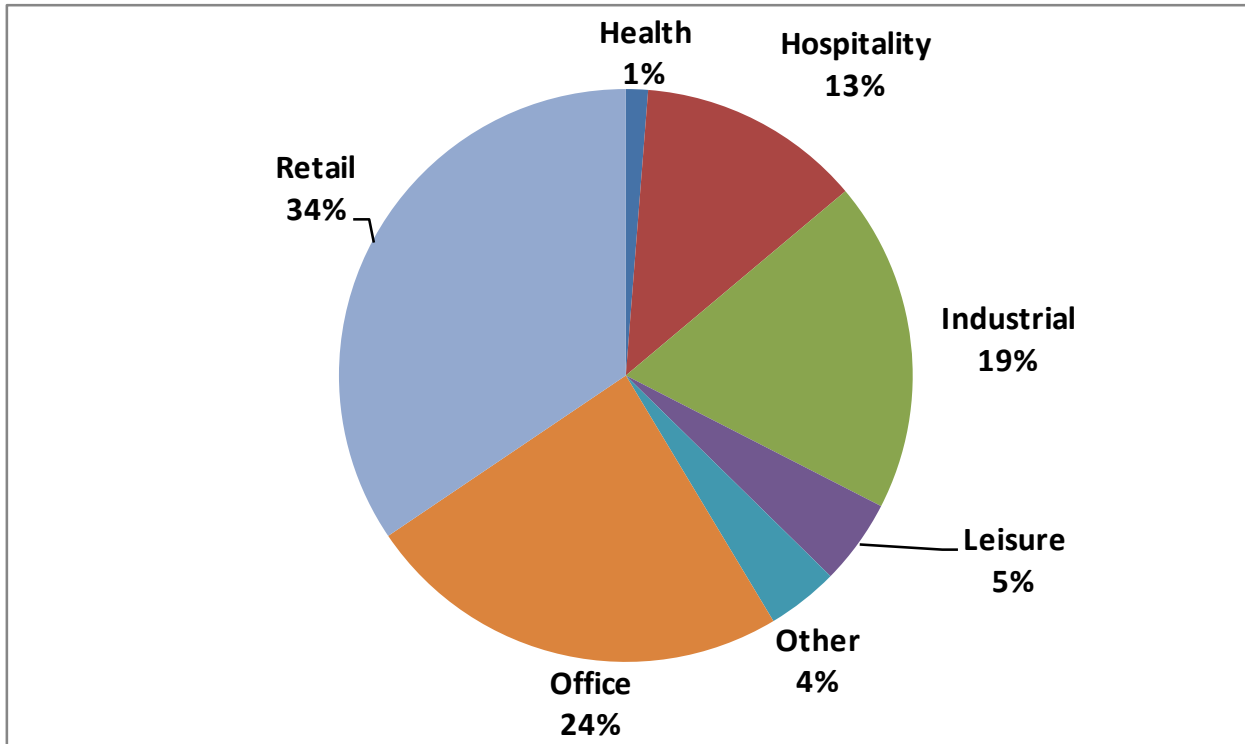
Table 4 – Rate Arrears by Charge Range

Charge 2015	No of Accounts	No of Accounts in Arrears	Actual Arrears based on GL	Actual Arrears %
0.00-999	2,189	972	1,949,540	3.81%
1,000-2,999	6,176	1,954	5,660,491	11.07%
3,000-4,999	3,707	1,239	5,920,078	11.58%
5,000-9,999	3,934	1,330	11,180,199	21.87%
10,000-24,999	2,790	859	12,605,401	24.66%
25,000-49,999	1,046	245	5,533,401	10.82%
50,000-74,999	231	76	2,149,018	4.20%
75,000-99,999	173	27	1,049,634	2.05%
100,000+	431	71	5,076,766	9.93%
Total	20,677	6,773	51,124,527	100.00%

Analysis of the 2015 Arrears by Rate Description Category

Further analysis of the arrears identifies the breakdown per category as per the graph.

Graph 4 – Arrears by Category



2015 Arrears Schedule Status

The table below outlines the current status of the breakdown of the €51.1m arrears.

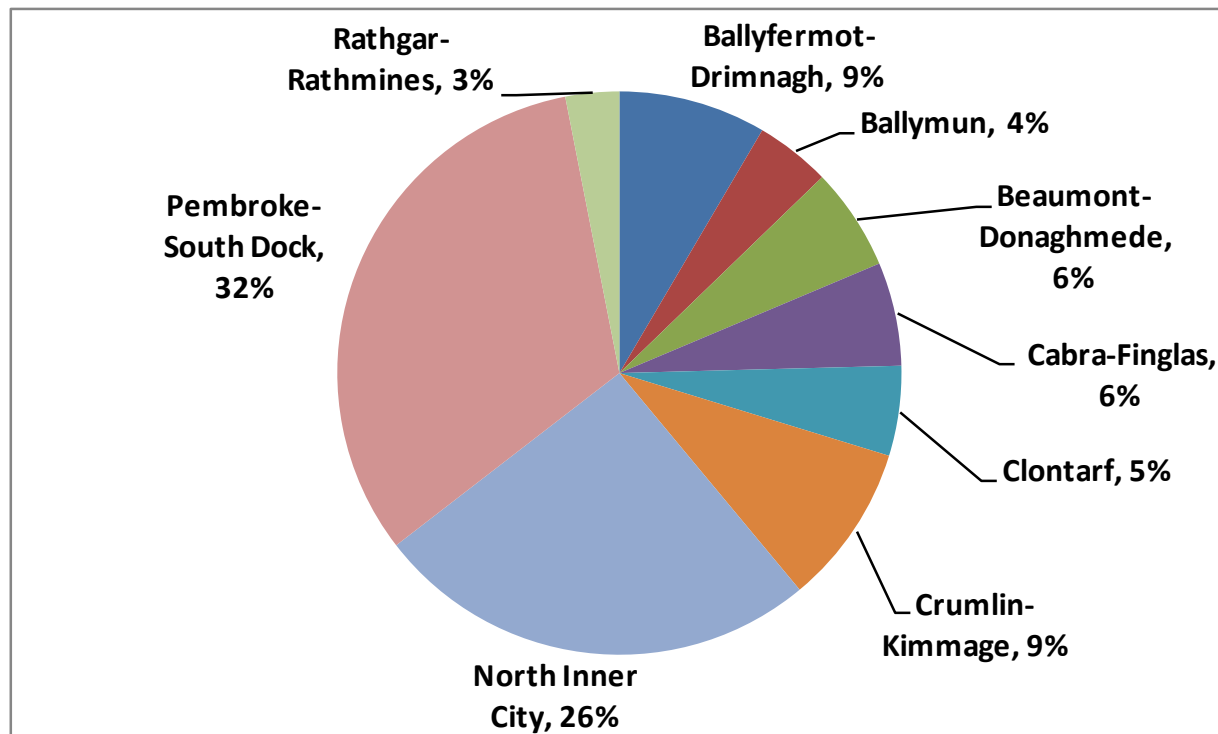
Table 5 – Analysis of Arrears Schedule Status

Status	Arrears Amount	Arrears Amount %
Court Proceedings	€9,552,014	18.68%
Liquidations / Receiverships / Ceased Trading	€5,327,744	10.42%
Revisions / Appeals / VTA	€4,418,847	8.64%
Settlements agreed / Pending / Being Discharged by Instalments	€15,073,703	29.48%
Account For Write Off / Written Off	€1,830,161	3.58%
Decree Obtained / Warrant	€7,371,381	14.42%
Under Investigation / Law Dept	€7,550,677	14.77%
Total	€51,124,527	100.00%

2015 Arrears by Electoral Area

The graph below shows the breakdown of the arrears per electoral area.

Graph 5 – Arrears by Electoral Area



Valuation Tribunal Appeals

The arrears figure of €51.1M includes an amount of €4.4M in respect of those increased valuations on ratings following the revaluation process which are awaiting assessment and determination by the Valuation Tribunal. It is expected that details will be forwarded by year-end and the financial impact concluded.

Conclusion

In setting and collecting commercial rates, the Council is tasked with performing an extremely delicate balancing act in ensuring that local businesses pay rates on time and being conscious of their role in supporting the business community through periods of economic pressure.

The council operates its rates policy on a consistent basis, with flexibility and reasonableness, seeking to ensure that where difficulties exist, arrangements can be put in place which allows rates to be paid on a basis that facilitates businesses to continue trading.

However, in certain cases, legal recovery of the debt is being and will be pursued where customers have failed to agree or not adhered to previously agreed payment plans.

The opening arrears of €51.1M have reduced to €39.6M at 26/3/2016.

Fintan Moran
Head of Management Accounting

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Report to the Finance Strategic Policy Committee
Community Gain Fund for the Waste to Energy Project

In March 2016 the Environment and Transportation Department referred the matter of the Community Gain Fund for the Waste to Energy Project to the Finance Strategic Policy Committee. This followed a decision by the Environment Strategic Policy Committee at its November meeting to refer the interpretation of planning condition 3 relating to the Waste to Energy Community Gain Fund to the Finance Strategic Policy Committee for consideration. Attached for information are two reports:

- 1) Report issued August 2015 from the former City Engineer and Director of Traffic, Michael Phillips.
- 2) Report issued January 2016 from Declan Wallace, Director of Traffic.

Both reports give considerable information on the project planning process, the involvement of An Bord Pleanála and the interpretation of the planning authority.

The planning condition (3) sets out that a 'contribution equivalent to 3% of the capital cost of the facility' be made. There seems to be confusion between the capital construction costs and the overall project costs. The planning application sets out the basis of determination of the capital costs.

The differential between construction costs and project costs relate to non-construction costs and as such are not relevant to be considered in the calculation relating to the Community Gain Fund. The issue referred to is not of a financial nature but relates to interpretation of a planning condition.

DCC has proposed, as set out in the planning application and supporting EIS, that the Community Gain Fund will be of a value of €10.38m (initially €8m) based on capital construction costs of €348m (initially €266m). DCC's funding basis of the community gain fund was separately referred to An Bord Pleanála which has indicated that the interpretation of condition 3 is a matter for the planning authority. In turn the planning authority has stated that it is in agreement with the basis of calculation as set out by Dublin City Council in the planning application and Environmental Impact Statement (EIS).

Kathy Quinn
Head of Finance
With responsibility for ICT

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Baile Átha Cliath
Dublin City

**Environment and Transportation Department,
Block 2, Floor 6,
Civic Offices,
Dublin 8.**

5th August 2015.

**To Each Member of the
Environment Strategic Policy Committee**

Briefing Paper on Calculation of Community Gain Fund for Dublin Waste to Energy Project

1 Background to Community Gain Proposal

In June 2006, Dublin City Council (DCC) on behalf of the four Dublin Local Authorities (DLAs) applied to An Bord Pleanála (ABP) for the development of a Waste to Energy (WtE) Facility with a capacity for the thermal treatment of 600,000 tonnes per annum of household and non-hazardous commercial and industrial waste.

The application was supported by an associated Environmental Impact Statement (EIS) which set out the Project details, including an examination of the Project Impact on Human Beings. Sub section 13.7.25 of chapter 13 which examined the Impact on Human Beings, sets out a number of elements which DCC, as applicant felt would result in a community gain. One element of the community gain proposal was the establishment of a Community Gain Fund which would be used to finance facilities/services for the benefit of the local community. It was proposed that the projects to be supported by the fund would provide 'additionality' to the local community i.e. that they would be over and above what the local community would have expected by way of social and community infrastructure. This element of the community gain proposal was dealt with in more detail in Appendix 13.2 of the EIS, a synopsis of which is set out in sections 1.1 to 1.5 below.

In developing a community gain proposal as part of the application process, Dublin City Council noted that it was taking a proactive approach, based on Government Policy, assessment of the community needs and other similar planning applications for thermal treatment facility.

1.1 Government Policy

The application noted that the Government Waste Management Policy statement “**Changing our Ways**”, published in 1998 contained the following statement in paragraph 9.2:

“Local Authorities, working closely with local communities, should utilise a proportion of income from waste charges and gate fees to mitigate the impact of such facilities on these communities through appropriate environmental improvement projects.”

Additionally, in the Government waste management policy statement “**Taking Stock and Moving Forward**” Published in April 2004, Key Point 20 stated:

“As a valid instrument in terms of the delivery of major waste facilities, Government policy in relation to the concept of community gain will be applied by the relevant authorities in their decision on applications for planning consent for such facilities”

1.2 Assessment of Community Needs

In order to assess the needs of the local area, to identify facilities/services that would enhance it, and to assist the City in formulating a community gain proposal for the EIS, DCC commissioned:

- Market Research Surveys;
 - The Market Research Survey included the following:
 - An in-depth face to face interview with 1000 residents in the catchment area.
 - A postal survey involving special interest groups in the area.

The interviews/surveys were primarily designed to ascertain the views of the local community on the facilities/services that should be supported by a Community Gain Fund. They were also designed to ascertain their views on preferred representation on the body that would administer the fund and to obtain local attitudes to a range of issues including the Waste to Energy project and the quality of existing services, including waste management services, being provided by the City Council.

- A Social and Community Audit Report in the area.
 - The audit report was completed following the carrying out of the physical audit of facilities/services in the area; a comparison of facilities/services in the area with those in similar communities elsewhere; the identification of gaps in those facilities/services; and key recommendations which included the identification of priority areas and projects that should be supported by the Community Gain Fund.

The report identifies five priority areas which should be supported by a Community Gain Fund:

- More sports facilities for young people
- More playgrounds

- Better community services for elderly people
- Better community health services
- Improving the environment

1.3 Similar Planning Applications for a thermal treatment facility

Planning permission was granted by ABP following an appeal for the Carranstown waste to energy facility, reference no. PL17.219721 in October 2007, the approval contained two conditions in relation to Community Gain:

- The establishment of a Community Liaison Committee, and
- The payment of a financial contribution to the planning authority, under the planning and development act in respect of the provision of environmental improvements and recreational/community facility projects in the vicinity of the proposed facility. The amount of the contribution was to be agreed between the planning authority and the developer. It was subsequently agreed that the amount would be £1/tonne of waste treated at the facility.

1.4 Proposed Scale of the Community Gain Fund

Appendix 13.2 set out the proposed scale of the Community Gain Fund, stating:

“Dublin City Council is proposing that the fund should comprise a once-off capital contribution of 3% of the capital cost of the facility and an annual revenue contribution of 0.5% of the amount of revenue generated by gate fees at the facility during its lifetime, subject to maximum annual contribution of €500,000. Based on the estimated construction cost of €266m, the capital contribution will be of the order of €8m. Based on a throughput of €600,000 tonnes per annum, the annual revenue contribution will be of the order of €265,000.”

1.5 Community Gain Fund Board

The City Council proposed the establishment of a Community Gain Fund Board. The Board would have the following functions:

- Decide on the projects to be supported by the Community Gain Fund, subject to each project satisfying independent sustainability and community benefit assessments, and following a consultation process with local communities.
- Carry out an ongoing review on the operations of the Waste to Energy Plant and report to the wider community.

1.5.1 Membership of the Community Gain Fund Board

It was proposed that the Board would consist of the following:

- An Independent Chair
- 3 local community representatives
- 3 elected members of Dublin City Council
- 2 officials from Dublin City Council
- 1 representative from the developers.

1.6 Oral hearing

ABP decided to hold an oral hearing and appointed their Deputy planning officer, to conduct the hearing. During the course of the oral hearing Mr. Con Coll, the then Executive Manager in the City Council's Environment and Engineering Department made a written submission and presentation to ABP outlining the community gain proposal and the Community Gain Fund proposal in which he set out that the fund would include:

- *'A once off capital contribution equivalent to 3% of the capital cost of the facility. This contribution is estimated at €8m.*
- *An annual revenue contribution equivalent to 0.5% of the revenue generated by gate fees, subject to an annual ceiling of €500,000. This contribution is estimated to be initially in the region of €265,000 per annum.'*

Prior to DCCs' closing submission at the oral hearing, the inspector queried if the lump sum for the community gain would be based on the actual capital cost and a percentage of this, or if it would be €8m as stated. Mr Twomey, the then Assistant City Manager clarified that the figure was not fixed at €8m, that the figure would be 3% of the capital costs.

1.7 Inspectors Report

Following the conclusion of the application process the planning inspector prepared a comprehensive report for the consideration of ABP. In the inspectors report to ABP the Inspector noted the following in relation to the Community Gain Fund:

There is a lack of guidance in relation to the nature and scale of such funds, but that amendments to the Planning and Development Act 2000 would ensure that such funds would become a more common part of planning control. The inspector considered that the extent of the fund being proposed by the local authority was reasonable i.e. a capital contribution equivalent to 3% of the capital cost of the facility and an annual revenue contribution equivalent to 0.5% of the revenue generated by gate fees, subject to an annual ceiling of €500,000. The inspector noted that the fund could be updated in accordance with the consumer price index.

The inspector did however express reservations about the annual contribution being tied to the gate fee, noting that the Local Authority is the promoter of the development and thus the 'gate fee' may be agreed with the private partner as part of the contract or some element of the contract may impinge on the fee. The inspector thus recommended that it would be more appropriate to base the annual payment on the tonnage of waste processed and that such a condition would be in line with previous ABP decisions.

2 An Bord Pleanála Decision reference 29S.EF2022

Planning Permission was granted for the facility by An Bord Pleanála, reference no. PL29S.EF2022, in November 2007, with the following condition related to the establishment of a Community Gain Fund:

Condition 3:

A community gain fund shall be established to support facilities and services which would be of benefit to the community in the general catchment area. This fund shall include a once-off capital contribution equivalent to 3% of the capital cost of the facility and an annual contribution per tonne of waste accepted for thermal treatment at the plant. The annual contribution shall be €1 per tonne in the first year following commissioning of the plant and thereafter shall be updated in accordance with the consumer price index. Details of the management and operation of the community gain fund, which shall be lodged in a special community fund account, shall be agreed between Dublin City Council and the community liaison committee referred to in condition number 2 above.

Reason: It is considered reasonable that the operators of the facility should contribute towards the cost of environmental, recreational or community facilities which will be of benefit to the community in the area.

ABP set out that the decision to grant approval for the development was issued having regard to twelve (12) reasons and considerations, including:

1. the EIS, the plans and particulars and all documents submitted by DCC,
2. all submissions and observations submitted in writing to ABP and made at the oral hearing and the report and recommendation of the person appointed by ABP to conduct the oral hearing and report on the matter (including reports of experts appointed by ABP)

3 Conclusion and Calculation of the Community Gain fund

DCC on behalf of the four DLAs applied to ABP for the development of a Waste to Energy facility in 2006. DCC set out a number of community gain proposals as part of the application, including the establishment of a community gain fund. It was proposed that the community gain fund would consist of two elements, a once-off capital contribution equivalent to 3% of the capital cost of the facility (estimated to approximately €8m) and an annual contribution calculated by reference to the amount of revenue generated by gate fees at the facility.

The application to ABP quantified the capital cost in terms of the construction cost of the facility both within the EIS and at the subsequent oral hearing. The capital/construction cost at the time was approximately €266m the €8m estimate was thus reflective of this figure. The overall project cost was estimated to be €350m. It should be noted that the project cost was never presented as part of the EIS or during the subsequent oral hearing as the capital cost of the facility.

It should be further noted that DCC as applicant clarified that the proposal associated with the once-off capital contribution was not fixed at €8m but would be calculated by reference to 3% of the capital/construction cost.

Following the conclusion of the application process the planning inspector prepared a comprehensive report for the consideration of ABP. The inspector noted that the extent of the fund being proposed by the local authority was reasonable and expressed no reservation in relation to the once-off capital contribution. However the inspector recommended that the annual contribution should be based on tonnage of waste processed rather than calculated by reference to the amount of revenue generated by gate fees.

ABP granted approval for the development of the facility in 2007, conditional on the establishment of a community gain fund which incorporated: a once-off capital contribution equivalent to 3% of the capital cost of the facility and an annual contribution equivalent to €1 per tonne to be updated in accordance with CPI.

The decision was issued with regard to the EIS, the plans and particulars and all documents submitted by DCC, all submissions and observations submitted in writing to ABP and made at the oral hearing and the report and recommendation of the person appointed by ABP to conduct the oral hearing and report on the matter (including reports of experts appointed by ABP).

Dublin City Council, on behalf of the four Dublin local authorities, executed the restated Dublin Waste to Energy Project Agreement in September 2014. The capital/construction cost in September 2014 was anticipated to be €346m and the once-off capital contribution to the community gain fund was calculated to be €10.38m using the methodology detailed during the planning application process and on which ABP decision reference 29S.EF2022 issued.

Michael Phillips

City Engineer & Director of Traffic



Report to the Finance Strategic Policy Committee

BID (Business Improvement District) Debtors at 31st December 2015

The BID Area was initially set up for a five year period in January 2008 and renewed for a further five years effective from January 2013. The current BID scheme is more than half way through its second 5 year term and is due to expire on December 31st, 2017. The renewal process will commence early in 2017.

The main functions of the Rating Authority relate to the billing, accounting and administration of properties in the BID Area. Each account is also managed to ensure it reflects the Rate Account in terms of occupancy, vacancy, change of details etc.

All matters concerning the administration of the BID are governed by the Local Government Business Improvements District Act 2006 (referred to as 'the Act' below) and in this regard the Rating Authority is responsible for the following:

- The establishment of a BID fund – Section 129K of the Act refers. This fund is separate from the Local Fund of the Rating Authority.
- The calculation of the BID multiplier – Section 129M of the Act refers

DETAILS OF BID MULTIPLIER 2010 – 2015

2010	2011	2012	2013	2014	2015
2.94	2.94	2.94	2.94	0.0135	0.0135

- Following determination of the multiplier the Rating Authority is responsible for billing all rateable properties within the BID Area. BID levies are collected by the Rating Authority and 'placed under the care and management of the Rating Authority' – Section 129R of the Act refers.
- Levies collected on behalf of the BID Company are transferred weekly from the Dublin City Council Local Fund bank account to the BIDs bank account – Section 129(K) (4) of the Act refers.

Analysis of BID Collection: Y2012 – Y2015

YEAR	<u>Arrears 01-Jan</u>	<u>Charge</u>	<u>Write Off</u>	<u>Total for Collection</u>	<u>Receipts</u>	<u>Arrears 31-Dec</u>	<u>Collected</u>
2012	€1,579,208.83	€2,775,827.83	€396,361.54	€3,958,675.12	€2,520,943.06	€1,437,732.06	63.68%
2013	€1,437,732.06	€2,939,610.32	€448,735.85	€3,928,606.53	€2,637,713.39	€1,290,893.14	67.14%
2014	€1,290,893.14	€3,171,806.76	€344,463.96	€4,118,235.94	€2,700,464.22	€1,417,771.72	65.57%
2015	€1,417,771.72	€3,153,443.31	€567,283.64	€4,003,931.39	€2,652,196.13	€1,351,735.26	66.24%

Analysis of Annual BID Collection: Y2012 – Y2015

YEAR	<u>Charge</u>	<u>Write Off</u>	<u>Total for Collection</u>	<u>Receipts</u>	<u>Arrears 31-Dec</u>	<u>Collected</u>
2012	€2,775,827.83	€253,408.31	€2,522,419.52	€1,997,076.21	€525,343.31	79%
2013	€2,939,610.32	€93,928.64	€2,845,681.68	€2,187,917.39	€657,764.29	77%
2014	€3,171,806.76	€47,409.90	€3,124,396.86	€2,360,001.20	€764,395.66	76%
2015	€3,153,443.31	€137,488.71	€3,015,954.60	€2,319,704.73	€696,249.87	77%

The analysis above indicates that on average 77% of the annual charge is paid within the current year.

Update position on arrears @ 26/3/16

Arrears 1/1/16	Write Offs / Adjustments	Adjusted Arrears for Collection	Receipts	Opening Arrears @ 26/3/16	Total billed to 31/12/15	Arrears as % of bills issued
€1,351,735.26	-€57,354.07	€1,294,381.19	€187,170.66	€1,107,210.53	€23,406,531	4.7%

Debt Recovery

The first BID demands were issued in February/March and reminders followed in July/August as part of the normal debt collection procedures. This is part of the Rates Office function.

The Rates Office also provides the BID Company with a weekly report of payments received and outstanding balances on accounts. The BID Company examines accounts and pursues the outstanding debt as follows:

Stubbs Gazette issue two demand letters on behalf of the BID Company. If payment is not forthcoming legal proceedings are instigated by the City Council on behalf of the BID Company. The BID Company provides a list of Debtors to be pursued.

Each Debtor will then receive another demand letter from the Solicitor acting on behalf of Dublin City Council. This initial letter indicates that there are seven days to settle the account before the matter proceeds to court.

If there is no response a Claim Notice is drafted and issued to the Debtor allowing 28 days to enter "Appearance or Defence". If 'Appearance' or 'Defence' is entered cases will be heard in court. If no 'Appearance' or 'Defence' is entered Judgement papers are drafted and lodged in the District or Circuit Court.

When the Court Order is received it can be sent to the Sheriff for execution. Payment plans are facilitated by the BID Company at all stages in the process, where agreed.

Fintan Moran
Head of Management Accounting

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Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

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

Office of the Head of Finance, Finance Department,
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8th February 2016

To: Each Finance Strategic Policy Committee Members

Dear Committee Member,

At the February City Council Meeting held on 1st February 2016, a revised Dublin City Council Strategic Policy Committee Scheme was adopted. Attached for your information is a copy of this revised scheme.

I wish to draw your attention to Point 1 of the attached scheme that notes that the responsibility for the Fire and Emergency Services element of the Strategic Policy Committee Scheme has now transferred to a special committee comprising of 15 councillors. As noted in the report, it is considered that a separate Committee comprising of all Councillors is justified in the context of the importance of this service and its ancillary elements together with various reform programmes for the service currently being advanced. In addition, this move is also partly in response to changes in responsibility at Assistant Chief Executive (ACE) level with Fire & Emergency services transferring to Brendan Kenny, ACE.

As a result of this transfer, the title of the Finance and Emergency Services Strategic Policy Committee will now change to the Finance Strategic Policy Committee.

Please note that a copy of the revised scheme has been posted to the Dublin City Council website as follows: <http://www.dublincity.ie/main-menu-your-council/strategic-policy-committees-corporate-policy-group>.

I look forward to our continued work on the current agenda items and work programme for the coming year.

Yours sincerely,

Kathy Quinn
Head of Finance
With responsibility for ICT

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Dublin City Council

Audit Committee

Minutes of Meeting held on 10th December, 2015 at 8.00 a.m.
in the Members Room City Hall

Attendance:

Members

Mr. Brendan Foster, Dublin Chamber of Commerce, Chairperson
Mr. Johnny McElhinney, Dublin Business Forum
Councillor Naoise O Muir, Docklands
Councillor Nial Ring
Councillor Noeleen Reilly
Ms. Louise Ryan, TCD
Professor Marann Byrne, DCU

Officials:

Ms. Kathy Quinn, Head of Finance
Mr. Hugh Fitzpatrick, Head of Internal Audit
Ms. Martina Mc Loughlin, Staff Officer, Internal Audit

Apologies:

Mr Owen Keegan, Chief Executive, Dublin City Council

1. Minutes of Audit Committee Meeting held on 24th September, 2015

The Chief Executive's update re: IPB Value for Money Review by PWC and Review of DCC's Approach to Risk Taking/Insurance by Willis, which had been forwarded to the members on 7th December 2015 was noted.

The minutes were agreed.

2. Standing Item on the agenda – Any Conflict of Interest of A.C. Members

No conflict of interest declared by members.

3. Presentation by Tony Flynn, Executive Manager and Una Joyce, Senior Executive Officer, Housing & Residential Services Department, on "Mortgage Arrears".

The Chairman welcomed Tony Flynn & Una Joyce and said it was important that the Audit Committee be briefed on all relevant issues. Tony thanked the Committee for the invitation. He outlined generally the background in relation to Housing Loans. There are various housing loans provided by DCC. The criteria to qualify includes proof of two refusals from lending agencies for mortgage approval. DCC implementing government policy promoting "home ownership" but essentially a lender of last resort. The income level is under €50K for a single person and under

€75K for a couple. There are currently 3,000 accounts, with weekly meetings to review. Statements are issued annually. The arrears are high, possibly due to the low income levels necessary to qualify. There is a Mortgage Arrears Resolution Process (M.A.R.P.), which includes a mortgage to rent scheme, for people in arrears. The court element for re-possession is the last resort. Dublin City Council, Arrears Support Unit has eight Arrears Support Officers.

Una Joyce, Senior Executive Officer, then gave a presentation on Housing Loans.

The members had questions on this issue, which Tony and Una answered.

- Loans have been given by DCC since the 1970's for small dwellings.
- The arrears of €15M are stabilising, the mortgage to rent scheme has helped, part of this is a legacy amount as there was no resolution process in place in the past.
- A new Incremental Tenant Purchase Scheme comes into effect from 1st January, 2016. This government policy decision will have to be implemented by DCC. The new Scheme will have a minimum income level of €15,000; 60% discount on value of property; charge on property for 30 years, but if sold within 5 years, all costs of market value are recouped by DCC, a further reduction of 2% for each subsequent year.
- The 2012 Sales Scheme provided a 45% discount, but there was a very low uptake.
- These Schemes are financed through the Housing Finance Agency. They are always re-paid by DCC, i.e. DCC take all the risk.
- There was a query as to the closing date for the new Scheme – It commences on 1st January, 2016, no closing date as such, but applicant must be a social housing tenant for 1 year. Also, if a tenant has arrears in rent, it doesn't automatically disqualify them, but 90% must be paid off.
- The background to this Scheme. It is Government policy, indirect provision for 1st time buyers, with guidelines around income/eligibility.
- Discussion around the 60% discount, how that is reflected in DCC accounts. Not a straightforward situation, as the figure arises from the original purchase price paid by DCC and the ultimate sale price paid by an applicant under the Tenant Purchase Scheme. The value of houses which would have been built many years ago, were valued in 2004 when DCC introduced a balance sheet.

4. Report No. 9 - Update on the 'Pyrite Issue' in Dublin City Council's administrative area

Tony Flynn answered the members questions on this issue.

Noeleen Reilly queried should Santry Community Centre and other schemes be included on the report. Pyrite has not manifested itself in the community centre, there are other issues which could be causing the problems there. Only DCC housing projects, which can be conclusively proven as being affected by pyrite, are included in this report.

Questions in relation to who will pay for the remedial work. Under the heading "Certainty" in the report, it is unclear who will ultimately pay. In relation to the 1990

Affordable Housing Scheme, DCC was fully engaged in this Scheme and is ultimately responsible for any pyrite issues.

Ballymun: resolution re funding for Ballymun due to be finalised soon, remediation of houses to start after Christmas.

The Belmayne Scheme: Premier Guarantee should be responsible for the remedial works under this Scheme.

DCC in final negotiations with D.O.E.C. & L.G. re funding for housing projects

Silloogue B, etc. – at final stage with D.O.E.C. & L.G., earlier to remediate the better

Tony Flynn was thanked in relation to the Ballybough scheme, in relation to the work carried out there

Further issues discussed were procedures in the future, to stop the risk of pyrite happening again: specification re full contracts now state where fill comes from, due diligence on testing at quarry stage

Noeleen Reilly requested that windows & doors at Carton (Ballymun) be replaced, when other works being carried out, Tony Flynn noted this request.

5. Report No. 7 – Annual review of the Audit Committee’s Charter (copy attached)

There is a requirement under the Local Government (Audit Committee) Regulations, 2014 that the Audit Committee Charter be reviewed annually by the Audit Committee and the Local Authority.

The Audit Committee agreed the Charter and Mr.Fitzpatrick to arrange for the Charter to be submitted to the City Council for formal approval. **Action 1 (see item 7 in relation to this matter)**

6. Report No 8 – To agree the Audit Committee’s Work Programme for 2016

There is a requirement under the Local Government (Audit Committee) Regulations, 2014 that the Audit Committee shall prepare an annual work programme that shall be adopted with or without amendment by the Local Authority.

The Work Programme for 2015 included a Review of the Annual Report of the Local Authority. This should not have been included and HF proposed that this item be removed from the Work Programme for 2016 and with this change, the Work Programme 2016 should be submitted to the City Council for adoption.

Agreed.

Mr. Fitzpatrick to arrange for submission of the work programme to the City Council for formal approval. **Action 2**

7. Update on: Report No. 5 - Review of “Corporate Risk Management” and Report No. 6 - Protected Disclosures Act, 2014, from Ms. Mary Pyne, Head of Human Resources & Corporate Services.

Corporate Risk Management: Report noted.

Protected Disclosures: Update noted.

Still awaiting final guidelines to be issued by the Department of Public Expenditure and Reform (DPER). The Committee's wish was to have this matter progressed with more urgency, as DCC can't wait indefinitely on DPER. There were also concerns expressed by the Committee in relation to whom should a protected disclosure be made, as they felt it was not always most appropriate for it to be made to a designated official. HF reminded the members that there is provision in the Audit Committee Regulations 2014 and guidance notes issued by the D.O.E.C.&L.G. for employees to make a disclosure directly to an Audit Committee about possible irregularities in financial reporting or other financial matters, but reporting wider sense of wrongdoing matters more appropriately dealt with by a designated official. He also informed the Committee that South Dublin County Council's Audit Committee had put a policy and procedures in place to address this matter. He will examine their document and report back. **Action 3.** Cllr. O Muiri suggested that the A.C. Charter should be amended in this regard.

HF to draft wording of proposed amendment and will circulate to Members. If agreement can be reached, will forward revised Charter to the City Council for formal approval.

In response to a query, it was noted that none of the DCC Committees have examined this matter yet.

8. Internal Audit Report R06/15 - Quality Assurance Review – Marlborough Street (Rosie Hackett) Bridge to comply with the Public Spending Code Directive from the National Oversight and Audit Commission (NOAC)

Requirement under NOAC to comply with the Public Spending Code. Initial submission date of end of Sept., 2015 was extended to the 9th October, 2015. Project had to be of a value greater than €500,000, there is a requirement to carry out checks on approximately 5% per year of the annual inventory (both capital and revenue spend), which for 2015 was €1.38B.

Noted

9. Report No. 10 - Regulation of Lobbying Act, 2015

New requirement, incorporating the Transparency Code. Noted.
Register of lobbying to be set up by the Standards Commission.

Opinion expressed in the Head of Internal Audit's report noted and agreed.

10. Report No. 11 - Internal Audit's draft Annual Audit Plan for 2016 and Resourcing of the Internal Audit Unit (Staffing)

HF informed the members of the staff changes in Internal Audit. Martina Mc Loughlin replaced Carmel Watters. A.O. vacancy filled, 3 days a week currently, but on a five day week from January, 2016. Clerical Officer position to be replaced with a Staff Officer. Grade 6 on maternity leave, due back next April/May, possibly replace her temporarily.

Draft Plan: IA met with ACE's from all Departments and discussed their Risk Registers. Also met with Richard Murphy, Principal Local Govt. Auditor. Also the preparation of the in-depth "Quality Assurance" element of the report which has to be submitted to NOAC, in order to comply with the Public Spending Code.

One of the issues on the 2016 Plan is a review of the Major Emergency Plan, and also to differentiate between a Major Emergency Plan and a Local Emergency. Review of IT systems, it is proposed to outsource this audit as specialised technical expertise will be needed to undertake that work. However, IA will look at software asset management systems within DCC.

Review of compliance with Public Procurement procedures will be looked at, in a large spend Department e.g. Fire Brigade.

Capital Project under the Public Spending Code, awaiting guidelines from DPER. The Committee expressed the opinion that a broad range was covered under the Plan for 2016.

Query re the necessity of the Motor Tax stocktake. KQ stated that it has to be done and only takes 2 days

Nial Ring queried the title on the Housing Maintenance audit, and suggested changes. Naoise O Muiri sought clarity on the number of VFM audits. KQ made the point that all audits are ultimately VFM audits.

BF hoped that the audits carried forward from 2015 and the audits proposed on the 2016 Plan could all be completed in 2016. **Draft Annual Audit Plan for 2016 approved.**

11. Possible subjects of future 'Familiarisation Sessions' for the Audit Committee by Senior Management. Also, any training needs identified for Members in 2016

No suggestions at this meeting, but members could forward any suggestions to HF. It will be relisted on the agenda for the next meeting.

No training required.

12. Preparation of the Audit Committee's report in accordance with Regulation 15.

(1) Detailing:- its consideration and findings for the year 2015 in relation to all matters within its authority, duties and functions and (ii) a review of its performance in accordance with Regulation 13 and any issues impairing that performance.

HF to consult with the Chairperson in relation to the preparation of a draft report and he will submit it to the Audit Committee for consideration at the February, 2016 AC meeting. **Action 4**

13. Feedback from Finance SPC

K.Q. informed the members that the Finance S.P.C. had requested that the Audit Committee re-consider its decision in relation to the circulation of audit reports. After further consideration, the Committee decided that it was satisfied with the current situation in this regard.

14. To agree a schedule for meetings of the Audit Committee in 2016

The members agreed the following dates for 2016:

11th February; 12th May; 15th September and 8th December.

It was agreed to combine the meeting for the Annual Financial Statement with the meeting scheduled for 15th September, instead of having a separate meeting.

15. A.O.B.

The AC considered the attendance of Richard Murphy, Principal Local Government Auditor, at the next meeting. It was agreed that the committee did not require his attendance.

The meeting concluded at 9.45 a.m.



Brendan Foster, Chairperson

Date: 16th February, 2016

Appendix A

Actions agreed at this Audit Committee Meeting

Action 1: Hugh Fitzpatrick to arrange for the Audit Committee Charter to be submitted to the City Council for formal approval, if the wording of an amendment re Protected Disclosures can be agreed between HF and the Members. **(HF)**

Action 2: Hugh Fitzpatrick to arrange for submission of the Audit Committee Work Programme to the City Council for formal approval. **(HF)**

Action 3: Hugh Fitzpatrick to examine South Dublin County Council Audit Committee Policy & Procedures for dealing with receipt of Protected Disclosures **(HF)**

Action 4: Preparation of the Audit Committee's report in accordance with Regulation 15. (1) Detailing:- it's consideration and findings for the year 2015 in relation to all matters within its authority, duties and functions and (ii) a review of its performance in accordance with Regulation 13 and any issues impairing that performance (copy of Text of Regulations 13 and 15 attached). Draft report in consultation with the Chairperson and submit to AC in new year. **(HF)**

Appendix B

Actions agreed at previous Audit Committee meetings but still to be dealt with to date, to be carried forward to the February, 2016 meeting.

Action 4: Agreed at the February, 2015 meeting. Review of recommendation implementation report will be submitted to the Audit Committee in due course. **(HF)**

