Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

NOTIFICATION TO ATTEND MEETING OF THE FINANCE SPC

TO BE HELD IN THE COUNCIL CHAMBER, CITY HALL, DAME STREET, DUBLIN 2.,

ON WEDNESDAY, 27 MAY 2015 AT 3.30 PM

AGENDA

WEDNESDAY, 27 MAY 2015

Kathy Quinn,
Head of Finance with responsibility for ICT and Fire & Emergency Services

Finance & Emergency Services Strategic Policy Committee

Minutes of Meeting Held On 19th March 2015

1. **Report of the Chief Executive re Dublin Fire Brigade call handling and dispatch arrangements**

Two reports from the Chief Executive Owen Keegan were circulated as follows:

- A Briefing Note to the Lord Mayor and Members of the City Council dated 2nd March 2015 and
- An update regarding the Emergency Ambulance Control Centre Reconfiguration Project and Integrated Clinical Governance Project dated 19th March 2015

Brendan Kenny, Asst. Chief Executive, gave an overview of the establishment of the DCC/Trade Union Forum to work through all the issues involved. Separately it was also agreed that an Implementation Group of DCC, DFB and HSE management to tease out all the issues concerned and work through the recommendations of the HIQA report would be established. He noted the following issues:

- It is not intended to take the ambulance service from DFB;
- It is not about making savings, in fact new technology will involve expenditure;
- No staff will lose their jobs;
- There will be no reduction in the ambulance service in Dublin city.

B. Kenny confirmed that he has been nominated to sit on both groups and the first meeting of the Union Forum is scheduled to take place on Tuesday 24th March and the first meeting of the inter-agency group will take place week commencing 30th March 2015. The process will be given 6 months to come back with an implementation plan, subject to negotiations with trade unions and staff.

Following this overview Committee Members and other Council Members noted and raised a number of issues:

Cllr. P Bourke queried the exact role of both of these groups. It was clarified that the objective was to purse the changes identified:

1. the NAS Emergency Operations Centre in Tallaght will assume responsibility for call taking in respect of all emergency ambulance calls in the Dublin region,

2. the NAS Emergency Operations Centre in Tallaght will assume responsibility for the dispatch of the emergency ambulance resources of both the NAS and DFB and

3. DFB's emergency ambulance resource will be subject to an integrated clinical governance structure under the NAS.

Cllr. A. Gilliland asked that it be put on record her disappointment that the unions were not consulted prior to this decision. She noted that there would be significant changes and out of respect to the employees of DCC, their unions representatives should have been consulted prior to the meeting between the 4 local authorities and the HSE.

Cllr. N. Reilly sought clarification on why this process was taking place as she felt that DFB has always picked up the slack from the national ambulance service. She queried what would happen now when someone rings 999. B. Kenny clarified that the two working groups would go through those details to tease out those issues now. He confirmed that the National Ambulance Service have responsibility for the ambulance service and the HSE has responsibility for health and medicine and it makes sense to have the full service for Dublin under one integrated process like the rest of the country. This is what is recommended by HIQA and there is an obligation to tease this all out and come back to the unions and staff to see if we can get agreement on implementation. Cllr. Reilly sought further clarification on the attendance of a DFB ambulance at an accident instead of a HSE ambulance.

Cllr. B. Carr commented that as the Finance & Emergency Services SPC is a strategic policy committee for the emergency services, he enquired why the committee had no involvement in this strategic decision made. He questioned the role of the committee in this process. He further noted that there had been an agreement that the two trade unions would make presentations to the SPC and this had been agreed by the City Manager to open that up to a public forum. He pointed out that with all this democratic and transparent agreement, suddenly this decision is made. He sought clarity on what involvement does the committee have when a decision like this can be made above the members' heads. He further sought clarity about where this process stood now.

Cllr. McGinley clarified that it was noted from the HIQA report, there were patient safety concerns out in the public domain and clearly there needed to be a response. This response was not dependent on this SPC. He further clarified that it was his understanding that the public consultation process agreed to would be held under the Section 26 Plan process and this is where external people, including the trade unions, could be involved.

He felt that the HIQA report was very well written and the rationale behind this process is very transparent. Cllr. Carr reiterated that the SPC did not have any involvement with this decision. Cllr. McGinley noted that HIQA do not report to the SPC and the points raised in the report regarding risks to patients and the steps required to deal with that involve an integrated system to be in place. Cllr. McGinley clarified that it was the role of the SPC to adopt a Section 26 Plan. In addition, the fire services is the largest single use of resources in Dublin City Council and that is obviously why it has been joined to the Finance Department. It is a complex area and there have been a number of reports over previous years and is not a straight forward matter which will take time.

Dr. C. McMullan wished to note, with pleasure, confirmation that DFB will continue to provide an excellent ambulance service in the capital. She felt that it was important to state that DFB currently responds to 80% of life threatening calls within the 8 minutes set as the international best practice. She further noted that excellent value for money is provided considering that DFB receives 8% of the national ambulance service budget and handles 60% of all the emergency calls in the State. Furthermore she noted that DFB's ambulance services is second only to Seattle on a global basis in terms of the survival after a cardiac arrest and she feels that those are things that the public, the Committee members and especially DFB should be very proud of.

Dr. McMullan enquired whether the reference in the HIQA report would mean that the movement of the co-ordination of the emergency ambulance service to Tallaght would also mean that the centre would be co-staffed by DFB, HSE and Ambulance Service staff. In reply, B. Kenny confirmed that it is currently staffed by National Ambulance Service. He further acknowledged the work of the DFB staff but referenced that lack of integration in Dublin has been identified as a weakness by HIQA and there is an onus on DCC to manage that and no decision has been made on that.

Cllr. Mannix Flynn welcomed the clarity in the reports and the outlining issues highlighted by HIQA. He feels that it is an issue of the communication systems used to deal with call out responses. He acknowledged that Dublin Fire Brigade Service is second to none. Cllr Flynn queried whether the unions representing the National Ambulance Service were notified of this change. He noted that the ambulance service has been in the background of this committee and others for quite some time, he queried whether management foresees the potential closure of fire brigade and ambulance stations or further amalgamations. He feels that this may now be the end of the tradition of Dublin fire brigade and ambulance services in the sense that it is going to become more streamlined. He enquired about what else was on the table in these negotiations. He wished those heading into the negotiations the very best and requested that this committee were kept updated on the outcomes of the forums. B. Kenny, in reply, confirmed that this process was not about closing fire stations but about achieving an integrated call out system and noted that there is always scope for efficiencies however there is no intention of other issues planned.

Cllr. Dermot Lacey noted that the ability to make policy has been removed from the elected members in a number of areas. He further acknowledged the comments of the other members however he disagreed with the reference made by management regarding room for efficiencies since he felt there comes a time when all the efficiencies and cuts have been made and cannot go beyond this. He further referenced the multiplicity of regions that are being established by central government across the State. He requested clarification on the powers that the elected members have in this area and whether the Chief Executive will ultimately make the decision. B. Kenny confirmed that the role of the SPC is very important and suggested arranging a visit to the new Ambulance Service Centre in Tallaght. He noted that the issues raised by HIQA must be addressed and it is up to management to respond to that. Cllr. Lacey requested that the Manager circulate to the members the actual powers the elected members have in relation to the fire service.

Cllr. McGinley drew the members' attention to Recommendation 4 of the HIQA report regarding the need for the HSE and National Ambulance Service to immediately involve DFB in the control centre reconfiguration project to ensure a seamless and safe transition of services in Dublin and pointed out that this is ultimately what is driving this process. He hopes that the National Ambulance Service will place the proper value on the service provided by Dublin City Council through the DFB.

Cllr. McGinley clarified in response to Cllr. Reilly's earlier query that a 999 call would be responded to by one national service and they will decide which service responds to the call either the National Ambulance Service or DFB based on the closest available vehicle and DFB staff will be involved in the control centre. He further pointed out that the clinical governance issue is about getting the best medical outcomes for patient and noted that DFB has attained international standards in that area and would not like to see any dilution of that standard.

<u>Motion from Cllrs. Brendan Carr and Alison Gilliland</u>
This motion was circulated to the Committee Members and deals with the concerns raised regarding proposed reductions in crew manning levels in Dublin Fire Brigade in light of recent media coverage relating to fire safety issues raised in the Longboat Quay development.

Cllr. Carr called for an immediate comprehensive risk assessment of the buildings in the DFB's area of responsibility be carried out to ensure that fire crews are made aware of buildings that are not up to a certain standard before they attend call outs.

It was noted that Cllr Gilliland seconded this motion. Cllr. Gilliland acknowledged the work of the DFB staff and pointed out that the Council owes a duty of care to their staff and called for this risk assessment to be carried out. This would identify gaps, risks and requirements. In light of the issues raised at the Longboat Quay development, Cllr Gilliland does not see the logic in the proposed reductions in manning levels from 4 to 3 crew.

Patrick Fleming, Chief Fire Officer, noted that a very comprehensive training programme is provided to all fire fighters and this is backed up by SOGs (standard operating guidance) and these deal with all types of hazards/risks that a fire fighter might encounter during the course of their duties. That training prepares them in conjunction with an incident command system to handle these types of situations. DFB adopts an all hazard approach to risk management in how these incidents are dealt with.

He noted that in the event of buildings like Longboat Quay, there is a Fire Prevention Unit dealing with issues identified under legislation and there is a number of sanctions available to them including advice and/or closing down of a premises depending on the severity of the risk assessment carried out. This information including fire safety notices are passed on to the fire crews.

It was confirmed that an area risk assessment process is currently being carried out for all of County Dublin. He further noted that there is pre-incident planning in place and clarification information has been sought from properties. Regular checks are carried out on water supplies and fire hydrants. Staffing levels will be looked at and he stated that risk assessment and health and safety rests with Dublin City Council and not with the Department of Environment or the National Director of Fire and Emergency Management.

In relation to the fire safety notices, Cllr. Carr raised the issue of fire safety certification on Priory Hall and the implications with this development. He noted that fire fighters want to be made aware of all risks present and this requested risk assessment would highlight these issues. Fire fighters will react to fires based on the information they have been given however they are being given false information and that is putting lives at risk.

Agreed: The motion was adopted.

2. Minutes of the meeting held on 15th January 2015

Minutes agreed – proposed and seconded by Cllrs. Ring and Lacey.

3. Matters Arising

A) Dublin Docklands Development Authority - Jeanie Johnston

Under the issue of the transfer of the Dublin Docklands Development Authority to Dublin City Council, Kathy Quinn, Head of Finance clarified that there was no date yet set for the transfer.

The following points were noted:

Cllr Bourke stated that if Dublin City Council will be taking over the asset of the Jeanie Johnston, the City Council must ensure that it is in top class condition and should not be left with the expense of any repairs identified. A copy of correspondence received from Paul Clegg, Interim Chief Executive of Dublin Docklands Development Authority was circulated to the committee outlining the status of the repairs on the boat and its value as a tourism attraction to the city.

Cllr. Flynn requested that the boat should be repaired prior to its transfer to Dublin City Council and assessment of future costs be ascertained. He requested details of the arrangement between Killary Cruises and the DDDA who currently manage the vessel and referenced lack of site of any documents going out to tender. He noted that he was in favour of the asset staying with Dublin City Council and referenced its historical value and further noted the value of the DDDA HQ.

Cllr. R. McAdam, as a former member of the DDDA council, queried the status of the public realm infrastructure audit and as a result of the audit would there be a cost to the City Council in respect of upgrading of the infrastructure. K. Quinn noted that it is her understanding that this audit is not yet completed but will look into this matter.

Cllr. L O'Toole, acknowledging the cultural and historical value of the vessel, requested information on the potential turnover it creates.

Cllr. D. Lacey welcome the integration of the DDDA into the City Council and acknowledged its role at the time of its establishment. He views the Jeanie Johnston as a valuable asset to the city and views the Dublin Bay as offering an enormous scope for development

G. Quin reinforced the comments from Cllr. Lacey and referenced the report from the Grow Dublin Task Force which highlighted Dublin Bay as a major differentiator for Dublin in terms of our tourism brand, propositions and services and there is a considerable need for increased development. She welcomed the repairs underway with the Jeanie Johnston.

D. Brennan provided an update on the repairs underway on the vessel. He further referred to the under-utilisation of the city's river facilities and welcomed the decision that the Jeanie Johnston will be retained by the City Council and allow further development of the bay area.

Cllr. N. Reilly queried the cost to bring the Jeanie Johnston back into full service.

Cllr. P. McCartan welcomed the integration of the DDDA into the City Council and further acknowledged the huge future potential that is available in the area.

Cllr. M. Flynn, referencing the correspondence of 16th March from Paul Clegg, requested a presentation from the DDDA and acknowledged that the City Council are managing and controlling this asset including all the water assets. K. Quinn noted that a possible presentation will be requested.

D. Brennan clarified that it is his understanding that the vessel would not be considered seaworthy. It is considered suitable to remain as a heritage/tourist site.

K. Quinn confirmed that the tourist potential is acknowledged and the Interim Chief Executive and staff are working through the business case for the Jeanie Johnston and suggested that this information and a comprehensive presentation incorporating all the issues raised could be brought to the next meeting.

Agreed: Presentation on the Business Case for the Jeanie Johnston to include visitor numbers both current and future would be made to the next SPC meeting. This presentation will incorporate a presentation from the DDDA on the transition to DCC.

B) Associated Companies of DCC – correspondence from Antoinette Power
Correspondence noted. Cllr. Flynn queried the Digital Hub and its status and it was noted that it is currently not under our remit but is due to transfer to Dublin City Council. Cllr. Flynn requested that this presentation would be included with the DDDA report.

4. **Rates Debtors**
Fintan Moran gave an overview of his report on the Rates Debtors figures at year end 31st December 2014. This report provides information on the schedules of uncollected rates at the end of each financial year and will be presented to the City Council at the April 2015 meeting. This report is a requirement under the Local Government (Financial Procedures and Audit) No 2 regulations 2014.

This presentation provided a comprehensive overview on the following information:

- Background on financial adjustment and impact on commercial rates
- Level of arrears during the period 2010 - 2014
- Rates Collection Percentage Y2012 – Y2014
- Age Profile of the 2014 arrears
- Analysis of the 2014 arrears accounts
- Analysis of the 2014 arrears by rate description category
- 2014 arrears schedule status
- 2014 arrears by electoral area
- Valuation tribunal appeals
- Conclusion

It was emphasised throughout the presentation that it was the objective of the City Council to move rate payers in arrears into payment arrangements.

It was further emphasised that in the analysis of arrears by Electoral Area, it should be noted that 63% of the arrears figure is represented by the Pembroke-South Dock and North Inner City areas however these areas represent 77% of the annual charge applied to the city.

It was further noted that of the opening arrears figure of €62.6m, this has been reduced to €51.6m at 7th March 2015.

In summation, F. Moran concluded that it is an extremely delicate balancing act and the Council are conscious of its role in supporting businesses. It was noted that where the Rates Office cannot enter into an agreement or business are not willing to enter into an agreement, the City Council will proceed to legal recovery of the debt.

Cllrs. Flynn, Ring, McCartan and G. Quinn acknowledged the excellent and comprehensive report from F. Moran.

Cllr. Flynn queried the status of those who say that they did not receive any documentation notifying them of the opportunity to appeal during the revaluation process. K. Quinn clarified that this would be an issue for the Valuation Office however following further discussion it was agreed that it could be looked into.

He further enquired if the BID's levy figures are included in this report. If the figures are not included, he requested that this information would be provided in a report. F. Moran confirmed that the report does not include BIDS arrears information as it is not required under the legislation however a separate detailed report can be provided to the SPC.

Cllr. Ring acknowledged the efficiency of the City Council when compared to the other local authorities. He noted the flexibility and reasonable approach of the Rate Office staff in treating business owners with dignity and respect and made particular reference to Sheila Bruton.

Cllr McCartan highlighted the dependence on commercial rates for the revenue budget. He sought clarification on payment options for pay rates and requested that the various options available should be highlighted to rate payers. F. Moran highlighted the various payment methods that are outlined in the rates bills and reminders issued to businesses.

Cllr. Carr raised the issue of a company engaged to assist businesses to appeal their revaluation and that the company subsequently closed leaving a number of businesses without any recourse for their appeal. F. Moran noted that the appropriate representation should be made directly to the Valuation Office.

Q. Quin welcomed the increase in the collection rates. She highlighted the 3 top concerns for business which are rates, rents and labour costs and welcomed the consideration of Dublin City Council over the last few years and the importance of rates in attracting businesses into the city. Concerns regarding the potential lack of premises was flagged.

Cllr. Reilly referenced the size of the arrears values and noted that this represented a significant number of small businesses in the city. K. Quinn clarified that, with regard to Cllr. Reilly's query regarding the 53% arrears figure on Table 4, they are almost all in payment plans and in recent years an active decision was made to allow business to carry over arrears figures from the previous years to help their viability and there was a conscious decision to assist businesses. The City Council are now in a position to start drawing back from these arrangements.

A. Sweeney welcomed the improvement in rate collections and queried the differing levels in local authority collections. At a later point in the meeting K. Quinn clarified that the Fingal figures quoted was an amalgam of a composite figure including rates, housing rents and housing loans and the 90% figure is an average of this figure and in reality both Dublin City Council and Fingal collections are very similar. He further noted the national approach being examined for debt collection across various government sectors including local authorities and queried any interaction that the City Council have had with this initiative. He further queried any impact of the Rates Revaluations Amendment Bill and the impact this could potentially have on any income for the Council in particular the removal of all government buildings from rates altogether. With regard to the period 2010-2014, he enquired about the impact of arrears levels to business during this revaluation period.

K. Quinn confirmed that she is on the local government stream of the Debt Management initiative that is looking at a number of public service areas and the local authority stream are currently focusing on rates collections and improving performance.

Cllr. McGinley acknowledged the reduction of rates by 6% as set out in Table 1 and that it was a political decision with regard to the maintenance of jobs during this period and still remains the case. He acknowledged the breakdown in the figures in Table 5 showing the analysis of arrears schedule status of €62.5m and the improvement in rates collections however there is at least 5% more to go to reach the historical figures of the previous years. Cllr. McGinley emphasised the importance of communication with rate payers.

Cllr. McGinley agreed that the focus should now be on increasing collections and reducing arrears in light of the improving economic environment in the city

Agreed: This report, in the prescribed format, will be presented to the April 2015 City Council meeting.

5. **National Oversight Audit Commission**
   A report was circulated to the committee for information purposes as it was raised at the previous meeting. Report was noted.

6. **Notification to City Council to be advised of all accounts opened and closed by Dublin City Council**
   Approval for the opening and closing of banks accounts held by the Head of Finance with banks and institutions both in Ireland and abroad has been agreed by the City Council. It was proposed at the March 2015 City Council Meeting, that a report would be presented as a standing item to the Strategic Policy Committee on a bi-annual basis listing accounts opened and closed in the preceding 6 months. **Agreed**: This proposal was agreed.

7. **Section 26 Plan Update**
   A report was circulated setting out the timeline for the proposed Section 26 process**.** It was noted that the opportunity for oral hearings has been set for the 1st and 2nd weeks of June 2015 and this would afford the unions and other bodies to make a presentation when an assessment of all submissions in early May 2015 has been made.

   The period of May-June 2015, following the consultation process, will involve a significant body of work of assessment by an SPC subcommittee, liaising with the Chief Fire Officer, the holding of a period of oral hearings and preparation of a Operational Plan and presentation to the SPC. In due course an Operational Plan will be presented to the City Council. Cllr. McGinley asked the committee to note these dates in their diaries. It was further noted that there is no statutory deadline for this process however it would be envisaged that a significant element of this process would be concluded by June 2015.

8. **Audit Committee meeting of 9th December 2014**
   Minutes noted

9. **AOB**
   <u>Motion from Cllr. Noeleen Reilly re DFB crew numbers</u>
   Cllr. McGinley noted that this motion is a political motion. A brief report was circulated to members detailing the national policy document "Keeping Communities Safe" and the requirements to prepare a Section 26 Plan. Cllr. Reilly sought clarification on where this motion would sit in with the Section 26 process and Cllr. McGinley referred to earlier references to the ambulance service and risk assessments and any potential reduction in crew numbers and noted that this motion could be considered during this process.

   P. Fleming noted that the Section 26 process and circulated FAQs will highlight what areas are new to the plan for fire services. DFB are the first authority to open this process to a public consultation providing all the stakeholders with an opportunity to give their views on the fire services in the city.

   The motion was noted and Cllr. Reilly was happy to see this motion will be covered during the Section 26 process.

Casual Trading Cleansing Costs
Cllr. Flynn requested a report on the expenditure incurred by the City Council on cleansing re casual trading in particular relating to Moore Street, Thomas Street and Camden Street. In addition, Cllr. McGinley requested a separate report on Moore Street only, covering the aspect of cleansing cost, to cover also the number of vacant trading pitches in Moore Street and to cover future DCC plans for this particular casual trading area. Agreed: A report will be presented to a future meeting.

Security Costs
Cllr. Flynn, following details provided to him at the March City Council meeting, queried security costs incurred to engage firms in duties carried out for the City Council. He requested a review of these services and suggested that perhaps some could be brought in-house. He requested a breakdown of this expenditure on a value for money basis including statistics on the attempted robberies/actual robberies on individuals involved in cash-in-transit duties.

Cllr. McCartan enquired about the tendering contract for the cost of the cash collection on parking meters and an update report will be requested and enquiries will be made on the establishment of the Contracts Committee in the current council term.

Signed: **Councillor Ruairi McGinley** **Date: 19th March 2015**
Chairperson

Attendance:

Members
Councillor Ruairi McGinley (Chairperson)
Councillor Paddy Bourke
Councillor Brendan Carr
Councillor Dermot Lacey
Councillor Ray McAdam
Councillor Paddy McCartan
Councillor Larry O'Toole
Councillor Noeleen Reilly
Councillor Nial Ring
David Brennan, DCBA
Eric Fleming, ICTU
Gina Quin, Dublin Chamber of Commerce
Dr. Caroline McMullan, DCU
Evelyn Reilly, Dublin City Community Forum
Aidan Sweeney, IBEC

Councillors – Non Members
Cllr. Alison Gilliland
Cllr. Mannix Flynn

Officials
Kathy Quinn, Head of Finance
Brendan Kenny, Asst. Chief Executive, Culture Recreation and Amenity Dept
Pat Fleming, Chief Fire Officer, Dublin Fire Brigade
Fintan Moran, Head of Management Accounting Unit
Antoinette Power, Head of Financial Accounting Unit
Deirdre Murphy, Senior Executive Officer, Rates Office
Fiona Murphy, Senior Staff Officer, Finance Secretariat

Fiona Collins, A/Assistant Staff Officer, Finance Secretariat

Apologies
Councillor Micheál MacDonncha
Councillor Brid Smith
Councillor Tom Brabazon

Press
Olivia Kelly, Irish Times

Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

Chief Executive's Department,
Civic Offices, Wood Quay, Dublin 8
Roinn an Phríomhfheidhmeannaigh,
Oifigí na Cathrach, An Ché Adhmaid, Baile Átha Cliath 8
T. 01 222 3762 F. 01 222 2097

Our Ref: CW/VN1407

17th July 2014

Mr. Michael Noonan T.D.,
Minister for Finance
Department of Finance
Government Buildings
Upper Merrion Street
Dublin 2

Dear Minister,

I wish to refer you to the following amended motion adopted by Dublin City Council at the Adjourned Monthly Meeting held on 14th July 2014:

That Dublin City Council supports the maximum reduction of 15% in Local Property Tax as allowed under Legislation and further calls on the government to abolish the Local Property Tax and replace it with a wealth tax.

Yours sincerely,

Vincent Norton
Executive Manager

Ceannoifig, Oifigí na Cathrach, An Ché Adhmaid, Bhaile Átha Cliath 8, Éire
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An Roinn Airgeadais
Department of Finance

Oifig an Aire
Office of the Minister

Our Ref: 14/2941/MF
Your Ref: CW/VN/1407

Oifig an Phríomhfheidhmeannaigh
14 APR 2015
324
Comhairle Cathrach Bhaile Átha Cliath

13 April 2015

Mr Vincent Norton
Executive Manager
Dublin City Council
Chief Executive's Department
Civic Offices
Wood Quay
Dublin 8

Dear Mr Norton,

The Minister for Finance, Mr Michael Noonan TD, has asked me to reply to your email regarding Local Property Tax (LPT).

The LPT is part of a broader approach to the taxation of property, involving a move away from transaction based taxes, which have proved to be an unstable source of revenue, to an annual recurring value-based property tax, which will provide a more consistent source of funding. A property tax is more employment-friendly than further increases in income taxes, and should have a stabilising influence on the economy and the public finances. There are no plans to abolish the LPT.

While all taxes and potential taxation options are constantly reviewed, the Government has no current plans to introduce a wealth tax.

Capital Gains Tax (CGT) and Capital Acquisitions Tax (CAT) are, in effect, taxes on wealth, in that they are levied on an individual or company on the disposal of an asset (CGT) or the acquisition of an asset through gift or inheritance (CAT). However, they are not annual taxes on an individual's wealth.

Deposit Interest Retention Tax (DIRT) is charged at 41%, with limited exemptions, on interest earned on deposit accounts.

The Domicile Levy introduced in Budget 2010 also constitutes a form of wealth tax. The levy is currently charged on an individual who is Irish-domiciled whose world-wide income exceeds

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€1m, whose Irish-located property is worth more than €5m, and whose liability to Irish income tax is less than €200,000. The levy applies for the tax year 2010 and subsequent years.

The Minister had asked me to thank you for your email, the contents of which have been noted.

Yours sincerely,

Alex Lalor

Alex Lalor
Private Secretary to the Minister for Finance

Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

Report to the Finance and Emergency Services Strategic Policy Committee

Update on the Jeanie Johnston and the transition of the Dublin Docklands Development Authority

Jeanie Johnston

The ship is currently in the ownership of the DDDA and is it's legal and financial responsibility. It is operated by Killary Cruises under a previous tender competition. The original term has expired and the Authority is rolling over the operation with the operator pending the production of a business plan.

It was recently (as at December 31st 2014) independently valued at €700,000. This valuation will be audited by the CAG as part of the 2014 annual audit due to commence shortly.

The current operating costs break down as follows:

1. **Current expenditure**:
   - €30,000 per annum (being Insurance).
   - The other day to day operating costs are funded out of ticket sales (this is under an operating agreement with a third party supplier). The following gives an overview of the 2014 performance.

2014 Ticket cost approx. €7.00	2014 Visitor numbers: approx. 20,000
Ticket Sales	€140,000
Spent as follows:	
1. Operating of the ship	€70,000
2. Day to day maintenance	€40,000
3. Marketing	€30,000

2. **Capital expenditure**: This averages €70,000 per annum (taking on a 10 year cycle) and covers dry docking and capital repairs.

The Authority is currently preparing a business plan so as to make recommendations of the possible future of the ship.

This will address the following:

1. Using the ship to its full tourism potential
2. Increasing footfall from current 25,000 per annum to 70,000. (note financial breakeven is around 60,000 and maximum capacity is 85,000)

3. Developing a shoreside facility to compliment the current offering on-board. This could include using part of the Authority's existing offices.
4. Creating a financial model that is self financing or possibly some surplus
5. An operating agreement that is of interest to a tender group.

This report is due for completion in the next two months.

Transition Arrangements for the Dublin Docklands Development Authority

> Further, the Strategic Policy Committee invites the DDDA to make a presentation to its next meeting on the transition arrangements from the DDDA to DCC, with particular focus on asset transfer, financial liabilities, if any, the cost of public realm upgrades and associate funding arrangements.

Overview

Government has decided to abolish the DDDA and has designated DCC as its successor. The Board of the DDDA has been charged with the orderly wind down of the Authority and the transfer of the residual assets and liabilities to DCC on wind-up. Wind-up will be effected through primary legislation (a Dissolution Act) which has yet to be published.

The following is a brief overview, under the headings requested, of the current situation.

Asset transfer

The following is the anticipated list of physical assets being transferred to DCC:

- Office at Custom House Quay
- Jeannie Johnston
- Ducting network
- Georges Dock events platform
- Cookes Bakery, East Road
- Community Training Workshop

These assets are currently being valued. As a guide they were collectively valued in 2014 at **c.€5m** by Independent valuers and audited by the CAG. The Valuation Office is involved in the valuation process.

The DDDA expects to also transfer c.**€3m** in cash balances to DCC.

Financial Liabilities

The DDDA expects to have settled all of its financial liabilities on windup. This is reflected in the net cash balance set out above.

In 2013 the DDDA transferred its deferred pension liability back to the State. Subsequently DCC has committed to take over these liabilities.

The last audited pension valuation was a deferred pension liability of €8m. The payment of that liability breaks down as follows:

	1 - 5 years *(2014-2018)*	**6 - 10 years** *(2019-2024)*	**11 – 15 years** *(2025-2029)*	**16 – 20 years** *(2030-2034)*	**Over 20 years** *(2035 +)*
Pension Payable	€1.1m	€1.2m	€1.3m	€1.3m	€3.1m

It should be noted that an up to date valuation is currently underway. As long term bond yields have fallen again the deferred pension liability is increasing and is expected to rise by up to 20%.

Public Realm

The DDDA will be transferring various pieces of Public Realm to DCC. These are being brought up to the standard that the DDDA set when created at present. In some cases a budget is being transferred to DCC where those works will not be undertaken in the DDDA's lifetime (mainly Roads). This is over and above the net cash surplus of €3m being transferred to DCC.

The key pieces of public realm include:

1. Bridges – Sean O'Casey pedestrian bridge plus two Steel bridges on North wall/ Custom House Quays
2. Park – Linear (now Luke Kelly) Park beside the convention centre
3. North and South Campshires along the Liffey from Memorial Bridge to the East Link
4. Roads – various roads built by the DDDA in the IFSC, and Grand canal Dock area
5. Lighting – lighting standards along the Campshires
6. Parking Bay – mainly in Grand Canal Dock

Paul Clegg
Interim CEO
Dublin Docklands Development Authority

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Finance and Emergency Services Strategic Policy Committee

Annual Financial Statement 2014

21st May 2015
Antoinette Power
Head of Financial Accounting

Agenda

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

Annual Financial Statement (AFS)

- Basis used is Accrual Accounting
  - Income and expenditure are recognised as they are earned or incurred, not as money is received or paid
  - Produced at end of trading period – 31st 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"

Changes to Accounting Code of Practice

- Code was updated at the end of December 2014
- Changes to Certificate of Chief Executive & Head of Finance
- Changes to Appendix 8- Interest of Local Authorities in Companies & Joint ventures
- Changes resulting from establishment of Irish Water
- Changes to titles:
  - Statement of Comprehensive Income
  - Statement of Financial Position
  - Statement of Funds Flow

Income & Expenditure Account Statement
Year ended 31st December 2014

	2014 €m	2013 €m
Gross Expenditure	722.48	777.12
Less Gross Income	393.76	396.67
Net cost to be funded	**328.72**	**380.45**
Rates	342.23	341.15
Local Government Fund	2.66	52.61
Pension Related Deduction	16.43	17.41
Surplus before transfers	32.61	30.72
Transfers to reserves	(20.83)	(30.33)
Overall surplus / deficit	**11.77**	**.39**
General Reserves 01/01/14	16.57	16.19
General Reserves 31/12/14	28.35	16.57

Analysis of Revenue Expenditure

Expenditure	2014		2013	
	€m	%	€m	%
Payroll Expenses	361.52	50.0%	372.46	47.9%
Operational Expenses	158.01	21.9%	198.37	25.5%
Administration Expenses	78.90	10.9%	71.72	9.2%
Establishment Expenses	42.26	5.8%	38.54	5.0%
Financial Expenses	68.04	9.4%	85.26	11.0%
Miscellaneous	13.75	1.9%	10.77	1.4%
	722.48	100.0%	777.12	100.0%

Refer to Appendix 1, Page 33

Analysis of Revenue Income

Income source	2014		2013	
	€m	%	€m	%
Rates	342.23	45.3%	341.15	42.2%
Goods and Services *	243.20	32.2%	224.37	27.8%
Grants and Subsidies **	92.82	12.3%	75.13	9.3%
Local Government Fund	2.67	0.4%	52.61	6.5%
Local Authorities	57.74	7.6%	97.17	12.0%
Pension Related Deduction	16.43	2.2%	17.41	2.2%
	755.09	**100.0%**	**807.84**	**100.0%**

* Breakdown of this figure is in Appendix 4 of the AFS, Page 43

** Breakdown of this figure is in Appendix 3 of the AFS, Page 42

Capital Income by Source

Sources of Income	2014		2013	
	€m	%	€m	%
Grants	111.41	69.9%	150.36	70.0%
Property Disposals	6.41	4.0%	3.31	1.5%
Development Contributions	0.71	0.4%	- 1.34	-0.6%
Borrowings	8.32	5.2%	12.21	5.7%
Car Parking	5.53	3.5%	5.79	2.7%
Transfers to Reserves	14.09	8.8%	20.37	9.5%
Other	12.94	8.1%	24.20	11.3%
Total	**159.41**	**100.0%**	**214.90**	**100.0%**

Refer to Appendix 5 in AFS, Page 44

Capital Expenditure by Service

Service	2014 €m	2014 %	2013 €m	2013 %
Housing & Building	112.03	64.5%	106.18	48.6%
Roads Transportation & Safety	22.03	12.7%	36.67	16.8%
Water & Sewerage	7.71	4.4%	40.94	18.7%
Development Incentives & Controls	11.82	6.8%	24.17	11.1%
Environmental Protection	6.68	3.8%	9.73	4.5%
Recreation & Amenity	12.89	7.4%	3.50	1.6%
Agriculture, Education, Health & Welfare	-	0.0%	-	0.0%
Miscellaneous	0.62	0.4%	- 2.57	-1.2%
	173.78	**100.0%**	**218.62**	**100.0%**

Refer to Appendix 6 in AFS, Page 45

Balance Sheet at 31st December 2014

	Note	2014 €m	2013 €m
Fixed Assets		10,091	11,699
Work in Progress	2	432	887
Long Term Debtors	3	565	586
Current Assets	4/5	257	259
Less Current Liabilities	6/7	237	196
Net Current Assets		20	63
Less Creditors	8/9	658	826
Net Assets		**10,450**	**12,409**
Represented by			
Total Reserves	10/2/11	**10,450**	**12,409**

Funds Flow Statement

- New Statement in 2011
- 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

Fund Flow Statement as at 31st December 2014

	Note	2014 €
REVENUE ACTIVITIES		
Net Inflow/(outflow) from operating activities	18	**9,344,876**
CAPITAL ACTIVITIES		
Returns on Investment & Servicing of Finance		
Increase/(Decrease) in Fixed Asset Capitalisation Funding		(1,608,093,661)
Increase/(Decrease) in WIP/Preliminary Funding		(457,585,527)
Increase/(Decrease) in Reserves Balances	19	(22,576,859)
Net Inflow/(Outflow) from Returns on Investment and Servicing of Finance		(2,088,256,047)
Capital Expenditure & Financial Investment		
(Increase)/Decrease in Fixed Assets		1,608,093,661
(Increase)/Decrease in WIP/Preliminary Funding		455,468,557
(Increase)/Decrease in Agent Works Recoupable		-
(Increase)/Decrease in Other Capital Balances	20	4,791,098
Net Inflow/(Outflow) from Capital Expenditure and Financial Investment		2,068,353,316
Financing		
Increase/(Decrease) in Loan Financing	21	(147,510,308)
(Increase)/Decrease in Reserve Financing	22	113,144,654
Net Inflow/(Outflow) from Financing Activities		(34,365,654)
Third Party Holdings		
Increase/(Decrease) in Refundable Deposits		286,656
Net Increase/(Decrease) in Cash and Cash Equivalents	23	(44,636,853)

Irish Water Changes

- Fixed Assets-Water & Sewerage Network
  - Reduction of €2,852,958,725 (note 1, page 22)

- Long Term Debtors
  - Includes €17,381,388 for non-HFA water loans payable by DCC and recoupable from DoEC&LG (note 3, page 23)

- Trade Debtors & Prepayments
  - Balancing statement net debtor due from Irish Water €8,194,188
  - Government debtors includes €61,072,585 for HFA water loans due for repayment by DoEC&LG (note 5, page 24)

- Loans Payables
  - Asset/ Grant Non-Mortgage Loans include €78,453,973 of loans which relate to Irish Water (note8, page 25)

Analysis of Loans

Loan type	€m 31-Dec-14	€m 31-Dec-13
Mortgage Loans	195.6	205.8
Asset / Grant Loans	101.3	165.9
Bridging Finance	84.4	99.7
Shared Ownership - Rented Equity	109.0	118.1
Voluntary Housing	242.4	252.8
Total Loans Payable	**732.7**	842.3

Refer to Note 8 in AFS, Page 25 for more details.

Trade Debtors

	2014 €	2013 €
Government Debtors	100,343,081	21,353,123
Commercial Debtors	97,074,534	119,641,806
Non-Commercial Debtors	45,553,752	44,604,462
Development Levies	17,966,035	22,227,479
Other Services	3,331,917	2,793,621
Other Local Authorities	1,720,578	11,010,706
Add: Amounts falling due within one year	31,000,000	25,500,000
Gross Debtors	**296,989,897**	**247,131,197**
Less: Provision for Doubtful Debts	139,754,622	133,725,039
Total Trade Debtors	**157,235,275**	**113,406,158**

Major Revenue Collections For 2014

	Arrears @ 1/1/2014	Accrued	Write off	Waivers	Total for Collection	Collected	Arrears @ 31/12/2014	% Collected
Rates	73,993,050	342,234,446	33,699,776	-	382,527,720	319,929,702	62,598,018	84%
Rents & Annuities	20,286,907	71,131,560	700,964	-	90,717,503	71,077,232	19,640,271	78%
Miscellaneous Rents								
RAS	1,079,954	4,629,741	-	-	5,709,695	5,115,054	594,641	90%
Travellers	236,942	552,313	-	-	789,255	409,521	379,734	52%
Homeless	644,519	827,282	254,898	-	1,216,903	469,855	747,048	39%
Rent to Buy	32,867	288,088	6,235	-	314,720	270,280	44,440	86%
Housing Loans	13,152,150	23,113,370	-	-	36,265,520	21,130,408	15,135,112	58%

THANK YOU

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Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

Report to the Finance and Emergency Services

Strategic Policy Committee

Report on powers of Elected Members in relation to the Fire Service

At its meeting held on 19th March 2015, it was requested that a report be brought to a future meeting outlining the powers of the Elected Members in relation to the Fire Service.

The Elected Members have specific powers to adopt or not a draft budget prepared by the Chief Executive, with or without amendment under the framework set out in the Local Government Act 2001 as amended (Sections 102, 103, 105 & 106 apply).

The Act (as amended) provides that regard be taken to certain issues in the performance of its duties (including the adoption of a budget with or without amendment in Section 69).

(a) the resources, wherever originating, that are available or likely to be available to it for the purpose of such performance and the need to secure the most beneficial, effective and efficient use of such resources,
(b) the need to maintain adequately those services provided by it which it considers to be essential and, in so far as practicable, to ensure that a reasonable balance is achieved, taking account of all relevant factors, between its functional programmes,
(c) the need for co-operation with, and the co-ordination of its activities with those of other local authorities, public authorities and bodies whose money is provided (directly or indirectly) either wholly or partly by a Minister of the Government the performance of whose functions affect or may affect the performance of those of the authority so as to ensure efficiency and economy in the performance of its functions,
(d) the need for consultation with other local authorities, public authorities and bodies referred to in paragraph (c) in appropriate cases,
(e) policies and objectives of the Government or any Minister of the Government in so far as they may affect or relate to its functions,

Section 71 of the Local Government Act 2001 provides that without prejudice to Section 69, the elected members of a local authority in respect of functions for which it has responsibility shall take such steps as may be practicable to maximise effectiveness and efficiency in all aspects of the operations and services of the local authority, including customer service to the public generally.

Section 25 of the Fire Services Act 1981 provides the basis for a fire authority to make provision for fire services. Section 26 of the Fire Services Act 1981 states that a fire authority with services provided under Section 26 shall make an operation plan for those services and that the making and revision of the plan shall be a reserved function.

Dublin City Council has a Section 26 plan under the Fire Services Act 1981, dated May 2001. The lengthy time gap between the issue of that plan and today should be addressed through the issue of a current fire services operational plan. The issue of such a plan would represent good governance by Dublin City Council (elected members and executive alike) in demonstrating an open approach to this very important public service.

The fire services operational plan under Section 26 of the Fire Services Act 1981 is by nature high level. It is a remote likelihood of personal liability attaching to an elected member through their involvement in the Section 26 process.

<u>Kathy Quinn</u>
Head of Finance
With responsibility for ICT and Fire and Emergency Services

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

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Report to the Finance and Emergency Services Strategic Policy Committee

Development Contribution Schemes 2004-2009, 2010-2017, 2013-2015 and 2013-2015 (amended for Class 2 of the scheme to include flood relief works only and to amend the level of contribution in respect of Class 2)

This report sets out an analysis of development contributions received over the eleven year period 2004 to 2014. It provides details of the completed projects to which development contribution funding has been applied and details of projects currently in progress to which development contribution funding has been applied. The report details the development contribution schemes that have been in place over the period (2004-2009, 2010-2015, 2013-2015, 2013-2015 as amended). A schedule of contributions received in each financial year is also provided.

1. Development Contribution Scheme 2004 - 2009

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).

Level of Contributions

The 2004 Scheme became operative on 1st January 2004. At that date, the contributions to be paid, except where an exemption applies were €11,500 per residential unit and €110 per square metre of industrial/commercial development. These rates are updated each year during the life of the Scheme in accordance with the Tender Price Index. Table 1 outlines the revised contributions.

Table 1

Year	Tender Price Index	Residential per Unit	Commercial Per Square Metre
2004		€11,500.00	€110.00
2005	6.4%	€12,233.00	€117.00
2006	5.4%	€12,894.00	€123.00
2007	2.3%	€13,265.00	€127.00
2008	4.84%	€13,908.00	€132.00
2009	-4.28%	€13,313.00	€127.00

The 2004 scheme provides for the contributions to be paid prior to commencement of the development or as otherwise agreed by the Council. Contributions shall be payable at the index adjusted rate pertaining to the year in which implementation of the planning permission is commenced. The Council may facilitate the phased payment of contributions.

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

Table 2

Class	Class Description	%of Contribution
Class 1	Roads infrastructure & facilities	22.51%
Class 2	Water & drainage infrastructure & facilities	57.33%
Class 3	Parks facilities & amenities	3.59%
Class 4	Community facilities & amenities	6.71%
Class 5	Urban regeneration facilities & amenities	9.86%

Table 3 summarises the actual contributions received for the eleven year period 2004-2014 under the five classes.

*Actual receipts for 2014 have been adjusted to reflect the removal of Potable Water & Foul Drainage Irish Water as per Order No S1739.

See Appendix 3 for receipts by year from 2004 to 2014.

Table 3

Class Description	%	Actual 2004-2013	Actual 2014 *	Total 2004-2014
Roads	22.51	49,710,884	1,077,429	50,788,313
Water & Drainage	57.33	126,607,062	1,372,035	127,979,097
Parks, facilities & amenities	3.59	7,928,123	171,833	8,099,956
Community facilities & amenities	6.71	14,818,304	321,171	15,139,475
Urban Regeneration facilities & amenities	9.86	21,774,736	471,944	22,246,680
Total	**100**	**220,839,109**	**3,414,412**	**224,253,521**

2. Development Contribution Scheme 2010-2017

From 1st January 2010 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 are as follows in Table 4.

Table 4

Class of Public Infrastructural Development	€ per square metre of Residential Development	€ per square metre of Industrial/Commercial class of Development
Class 1 Roads infrastructure & facilities	€46.99	€38.10
Class 2 Water & Drainage infrastructure & facilities	€78.31	€63.50
Class 3 Community facilities & amenities	€6.26	€5.08
Class 4 Parks and open spaces	€17.23	€13.97
Class 5 Urban regeneration facilities & amenities	€7.83	€6.35
Total of Contributions Payable	**€156.62**	**€127.00**

These rates of contribution shall be updated effective from 1st January each year during the life of the Scheme in accordance with the Wholesale Price Index (Building and Construction Materials) The above rates are effective from 1st January, 2010.

The new Scheme specifies the same five classes of public infrastructure and facilities and the new % allocation to each class is shown in Table 5.

Table 5

Class	Class Description	% Contribution
Class 1	Roads infrastructure & facilities	30%
Class 2	Water & Drainage infrastructure & facilities	50%
Class 3	Parks & Open Space facilities & amenities	4%
Class 4	Community facilities & amenities	11%
Class 5	Urban regeneration facilities & amenities	5%

The total amount of contributions that were collected under the new Scheme relating to Planning permissions granted in 2010-2014 is shown in Table 6.

*Actual receipts for 2014 have been adjusted to reflect the removal of Potable Water & Foul Drainage Irish Water as per Order No S1739.

Table 6

Class Description	%	Actual 2010-2013	Actual 2014 *	Total 2010-2014
Roads	30	4,152,927	2,032,437	6,185,364
Water & Drainage	50	6,921,547	1,693,697	8,615,244
Parks, facilities & amenities	4	553,723	270,992	824,715
Community facilities & amenities	11	1,522,740	745,227	2,267,967
Urban Regeneration facilities & amenities	5	692,154	338,739	1,030,893
Total	**100**	**13,843,091**	**5,081,092**	**18,924,183**

Development Contribution Scheme 2013-2015

In January 2013 Planning Circular PL1/2013 was issued to advise of the publication of the Development Contributions-Guidelines for Planning Authorities, the principal aim of the new guidelines, which were issued under Section 28 of the Planning & Development Act 2000 (as amended) is to provide non statutory guidance on the drawing up of development contributions to reflect the radical economic changes that have impacted across all sectors since guidance last issued in 2007.

Dublin City Council taking cognisance of these guidelines have revised the Development Contribution scheme which shows a reduction of 26.44% in the level of rates of contribution to be paid from 1st Jan 2013 for all planning permissions granted after this date. The scheme, as adopted, will be operative for a period of three years from 1st Jan 2013 to 31st Dec 2015. Below are the contributions to be paid from 1st Jan 2013 to the 31st December 2014 in Table 7.

Table 7

Class of Public Infrastructural Development	€ per square metre of Residential Development	€ per square metre of Industrial/Commercial class of Development
Class 1 Roads infrastructure & facilities	€34.56	€28.02
Class 2 Water & Drainage infrastructure & facilities	€57.61	€46.71
Class 3 Community facilities & amenities	€4.61	€3.74
Class 4 Parks and open spaces	€12.67	€10.28
Class 5 Urban regeneration facilities & amenities	€5.76	€4.67
Total of Contributions Payable	**€115.21**	**€93.42**

Transfer of Water Services functions to Irish Water

The Water Services (No 2) Act 2013 was enacted on the 25th December 2013. This Act transferred a range of statutory water services functions (mainly potable water supply and foul drainage) from Local Authorities to Irish Water from the 1st of January 2014. Local Authorities retained a number of water services (mainly surface water drainage and flood alleviation and prevention).

DoECLG circular PS21/2013 dated 30th December 2013 states in respect of permissions under section 34 of the Planning and Development Act granted prior to 1st January 2014, the full development contribution including, where relevant the portion in respect of water services infrastructure, must be paid to the planning authority, in accordance with the terms of the permission.
After 1st January 2014, planning authorities when granting permission, should no longer include a portion in respect of those water services infrastructure ie potable water and foul drainage in any development contribution applied as such charges for infrastructure provision in respect of developments granted after 1st January 2014 will be levied by Irish Water.

Accordingly it is necessary for Dublin City Council Development Contribution scheme 2013-2015 (under Section 48, Planning & Development Act 2000 as amended) be adjusted to reflect the above. (See Table 8)

50% of the contributions allocated under The Dublin City Council Development Contribution scheme 2013-2015 is in respect of Water & Drainage Infrastructure facilities (see Table 5 above). This 50% of contributions levied are put towards Water Supply Schemes, Public Sewerage Schemes and Flood Relief and Surface Water Drainage schemes.
Dublin City Council Order S1739 dated 2nd January 2014 adjusted the development contribution scheme by the omission of that part of the charge that relates to potable water and foul drainage for decisions to grant planning permission from the 1st January 2014. It is considered prudent to sub-divide the development contribution account for water and drainage on a 50/50 basis into (a) surface water, flood relief and other works retained with Dublin City Council and (b) potable water supply and foul drainage i.e. the Irish Water element.

Development Contribution Scheme 2013-2015 (as amended by S1739 dated 2nd January 2014.

Table 8

Class of Public Infrastructural Development	€ per square metre of Residential Development	€ per square metre of Industrial/Commercial class of Development
Class 1 Roads infrastructure & facilities	€34.56	€28.02
Class 2 Surface Water, flood relief and other works	€28.80	€23.35
Class 3 Community facilities & amenities	€4.61	€3.74
Class 4 Parks and open spaces	€12.67	€10.28
Class 5 Urban regeneration facilities & amenities	€5.76	€4.67
Total of Contributions Payable	**€86.40**	**€70.06**

The total amount of contributions that were collected under the new Scheme relating to Planning permissions granted in 2014 is shown in Table 9.

Table 9

Class Description	%	Actual 2014
Roads Infrastructure & facilities	40	991,150
Surface Water, flood relief and other works	33	817,698
Parks, facilities & amenities	5	123,894
Community facilities & amenities	15	371,681
Urban Regeneration facilities & amenities	7	173,451
Total	**100**	**2,477,874**

Table 10 summarises the actual contributions for both the old and the new Schemes from 2004-2014 and the allocation of these under the five classes across completed and current projects leaving an amount committed to current projects.

See Appendix 3 for receipts by year from 2004 to 2014 for both the old and new Scheme.

At year end 2014 an amount of €3,743,707 of Water & Drainage unallocated Contributions at year end 2013 have now been transferred to Irish Water as part of the Balancing Statement 2013 this represents 50% of the unallocated Water & Drainage contributions.

Table 10

Class Description	***Total Actual Contributions 2004-14***	***Contributions Allocated to completed/current projects 2004-14***	***Committed to current projects Capital Budget 2015-2017***
	€	**€**	**€**
Roads	57,964,827	50,045,518	7,919,309
Water & Drainage	137,412,038	126,329,877	11,082,161
Transfer to Irish Water		3,743,707	-3,743,707
Parks & Amenities	9,048,567	8,634,888	413,679
Community Facilities	17,779,122	17,119,501	659,623
Urban Regeneration	23,451,025	10,183,660	13,267,365
Total	**245,655,578**	**216,057,150**	**29,598,428**

Funding of €216.0m has been allocated to projects see attached schedule Appendix 1. (inclusive of transfer to Irish Water of €3.7m as part of balancing statement). The remaining balance of €29.5m is committed in the Capital Budget 2015-2017 to funding current schemes as per Appendix 2 in addition to estimated Development Levies receipts for 2015-2017 of €29.9m.

Capital Programme 2015-2017

The Capital Programme 2015-2017 was presented to Council in Nov 2014. The capital programme represents an investment of €568.5m for the period 2015-2017.

A summary of the Capital Programme 2015-2017 is set out within Table 11.

Table 11

Description	***Budgeted Expenditure 2015-2017***	***External Funding 2015-2017***	***Internal Funding Required***
	€	***€***	***€***
Programme Group Total	568,506,970	492,471,006	**76,035,964**
Internal Funding Sources			
Disposals, Car Parking & Property Rentals			34,157,493
Development Contributions			
S48			40,618,471
S25 Docklands			1,260,000
Total			**76,035,964**
Balance			**0**

Table 11 indicates that development contributions are committed to the proposed listing of capital projects 2015-2017 see also Appendix 2.

Accounting for Development Contributions

Department of Environment Heritage & Local Government Circulars 01/2008 and 06/2008 provides that a Local Authority at the year end should account for Development Levies on the accruals basis. See Table 12 below.

Table 12

	€m
Development Contributions Outstanding at yr end 2014.	18.0
Development Contributions subject to phasing arrangements.	15.2
Total	**33.2**

The Council may facilitate the phased payment of contributions payable under the Scheme, and the Council may require the giving of security to ensure payment of contributions. The value of debt owed to Dublin City Council is reviewed on a continuous basis.

Financial Overview

The funding of the Capital Programme 2015-2017 of €568.5m 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 2015-2017 is €76m of which Development Contributions is €41.9m (55.2%) and other capital funding €34.1m (44.8%). 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.

Fintan Moran
Head of Management Accounting

Appendix 1: Allocated Contributions

Scheme Name	Stage	Total Actual Contributions 2004-14	Contributions Allocated to current or completed projects 2004-14	Committed Contributions to current or uncommenced projects At 01/01/2015
		€	€	€
Class 1: Roads				
Bridgefoot St.	Completed		936,694	
North King St	Completed		1,685,764	
Cork Street/ Coombe By Pass	Completed		5,225,546	
James Joyce Bridge/Blackhall Place Bridge	Completed		3,823,325	
Jamestown Rd Inchicore	Completed		4,171,625	
Clonshaugh Road	Current		6,919,395	
East Wall Road	Completed		6,329,946	
Macken Street Bridge (Samuel Beckett Bridge)	Completed		17,132,805	
Macken Street Bridge Approach Roads	Completed		1,725,900	
General McMahon Bridge	Completed		800,000	
River Road Improvement Pelletstown	Current		208,098	
Blackhorse Avenue Improvement Scheme	Completed		328,554	
Macken Street Bridge Phase 1 Sect 2	Completed		17,752	
Blackhorse Avenue Section 2	Current		12,411	
MID Project	Completed		30,299	
Red Light Camera Pilot Project	Completed		32,008	
James Joyce Bridge	Completed		29,978	
Macken Street Phase 3	Completed		118,834	
Newcomme Bridge	Current		16,415	
Refurbishment of Footpaths	Current		500,000	
Killeen Road	Completed		169	
Class 1: Roads Total		**57,964,827**	**50,045,518**	**7,919,309**
Class 2: Water				
Ballymore Eustace Stg 3 Interim	Completed		2,770,000	
Ballymore Eustace Stg. 3	Current **IW**		6,815,081	
Ballymore Eustace Stg. 3 Admin	Completed		230,000	
Ballymore Eustace Stg. 3 Development	Current **IW**		5,500,000	
Roundwood Covered Reservoir	Civil contract completed , M&E		3,385,938	

Scheme Name	Stage	Total Actual Contributions 2004-14 €	Contributions Allocated to current or completed projects 2004-14 €	Committed Contributions to current or uncommenced projects At 01/01/2015 €
	contract current **IW**			
New Treatment Works Ringsend	Sludge Stream Expansion Completed **IW**		25,457,338	
Treatment Works Extension	Current		147,250	
New Water Supply – Interim Sources	Completed		334,515	
Watermains Rehab. Programme	Current **IW**		10,104,000	
S2S Phase 1	Current		118,603	
Liffey Services Tunnel	Completed		7,613,769	
Rathmines/Pembroke High Level	Current **IW**		275,572	
Eastern River Basin Study	Current		777,388	
Bohernabreena Spillways	Completed		3,646,731	
Sutton Pumping Station	Completed		2,412,285	
NFWSS Cont 3 Cappagh Supply	Completed		1,404,512	
NFWSS Cont 6A Sillogue Storage	Completed		5,361,073	
NFWSS Cont 6B Sillogue Storage	Completed		425,000	
NFWSS Cont 7 Santry	Completed		1,513,825	
NFWSS Special Supply	Completed		300,000	
Contract 6-2 Meakstown /Poppintree	Completed		1,579,976	
Cont 6-3A NSNIS Civil Eng Works	Completed		3,329,621	
Cont 6-4A NSNIS Civil Eng Works	Completed		10,502,623	
NFWSS Project Mgmt	Completed		1,173,734	
NFWSS Planning Phase	Completed		506,017	
NFWSS Site Supervision	Completed		1,184,913	
Swords Road Trunk Sewer	Completed		250,277	
Cont 6-3B/4B MSNIS Mech	Completed		678,511	
Lansdowne Road Stadium	Advanced works Completed		700,000	
New Water Supply Project – Major Source	Current **IW**		3,577,739	
Dargle Valley Watermain – Construction	Current **IW**		20,852	
Dargle Valley Watermain – Preliminary	Completed		105,369	
Secondary Chorlination – Saggart OSEC	Completed		794,963	
Strategic Drainage Study Dublin	Completed		1,500,000	

		Total Actual Contributions	Contributions Allocated to current or completed projects	Committed Contributions to current or uncommenced projects
Scheme Name	***Stage***	***2004-14***	***2004-14***	***At 01/01/2015***
		€	**€**	**€**
Tolka Interim Flood alleviation	Completed		425,000	
Tolka Phase 1 Flood alleviation	Completed		190,000	
Spencer Dock Sea Lock Restoration	Completed		2,125,000	
Dodder Surveying Project	Completed		350,000	
S2S Phase 2	Current		225,000	
Spencer Dock Sewerage Scheme	Current		414,200	
Docklands East Wall Road Internal Sewer	Completed		1,075,000	
Water Conservation Awareness Campaign	Completed		380,532	
Terenure College Lake Wetland	Current		10,973	
Water Services Strategic Plan	Completed		19,790	
Ballyboden Covered Reservoir	Completed		331,459	
Covered Reservoir Stillorgan	Completed		268,723	
Stillorgan Reservoir Feasibility Study	Current		3,521	
NCAWM – Cont 5	Current		500,000	
Coastal Flooding Study	Completed		14,432	
Dodder Flood Relief Works	Completed		340,142	
Dublin Flood Early Warning System	Current		401,191	
Merrion Gates & Sandymount Flood Defence	Completed		210,812	
Sustainable Urban Drainage System(SUDS)	Current		119,819	
Phoenix Park Surface/ Foul Separation Scheme	Current		200,000	
Flood Resilience City Projects	Current		750,000	
River & Rain Gauging Stations for River Flooding	Current		20,000	
Dublin Docklands Catchment Study	Completed		354,967	
Liffey Services Installation Contract	Completed		8,657,526	
Mainlaying	Current **IW**		220,593	
NCAWM Contract 5	Current **IW**		4,223,720	
Transfer to Irish Water –as part of Balancing Statement			3,743,707	
Class 2: Water Total		**137,412,036**	**130,073,584**	**7,338,453**
Class 3: Parks				
South Dock Street Park	Completed		334,000	
Cherry Orchard	Completed		440,000	
Portland Place	Completed		125,000	

Scheme Name	Stage	Total Actual Contributions 2004-14	Contributions Allocated to current or completed projects 2004-14	Committed Contributions to current or uncommenced projects At 01/01/2015
		€	€	€
Various Playgrounds	Current		911,604	
St.Annes Park Mgt Plan	Current		451,320	
Fairview Park Pavillion	Completed		847,834	
Longmeadows Pavillion	Completed		101,000	
Ringsend Park	Completed		312,840	
Johnstown Park	Completed		689,095	
Eamon Ceannt Park	Completed		1,277,276	
Broadstone Playground	Completed		199,000	
Alfie Byrne Sports Facility	Completed		1,163,140	
Red Stables	Completed		222,102	
Cherry Orchard Park	Completed		430,000	
Le Fanu Park	Current		415,145	
Fairview Park Upgrade	Complete d		131,146	
Pelletstown Park	Complete d		251,243	
Parks Pavillions Projects	Current		251,143	
Class 3: Parks Total		**9,048,567**	**8,634,888**	**413,679**
Class 4: Community				
Red Stables Yard	Completed		3,693,000	
Fairview Park Pavilion	Completed		35,000	
Ballyfermot Leisure Centre	Completed		8,979,435	
Eamon Ceannt Park Tennis Court	Completed		142,522	
Rathmines Leisure Centre	Completed		2,147,171	
Bluebell Community Facilities	Completed		1,662,621	
Hugh Lane Security Upgrade	Current		459,751	
Class 4: Community Total		**17,779,123**	**17,119,500**	**659,623**
Class 5: Urban				
Vernon Avenue	Completed		300,000	
North Fringe Traffic Management	Completed		500,000	
Extn to Liffey Boardwalk	Completed		1,570,000	
Spire Prelim Works	Completed		4,060,000	
St. Luke’s Church, The Coombe	Completed		265,000	
Cork Street Regeneration	Completed		265,000	
Parnell Square Development Plan Works	Completed		211,831	
Smithfield Plaza	Completed		1,500,000	
Markets	Current		910,000	

		Total Actual Contributions	Contributions Allocated to current or completed projects	Committed Contributions to current or uncommenced projects
Scheme Name	**Stage**	**2004-14**	**2004-14**	**At 01/01/2015**
		€	**€**	**€**
Grafton Street Construction Works	Current		401,828	
Grafton Street & Environments	Current		200,000	
Class 5: Urban Total		**23,451,024**	**10,183,659**	**13,267,365**
Overall Total		**245,655,577**	**216,057,147**	**29,598,430**

Appendix 2: Project List

Class 1 - Roads infrastructure and facilities

Current Projects	***Proposed Projects***
Samuel Beckett Bridge	Backup Control Room
Ratoath Road	River Road Improvement Scheme
Blackhorse Avenue	Malahide Road
Clonshaugh Road	Environmental & Street Improvements
Blackhall Place Bridge (Final Account)	Cycle/Pedestrian Bridges
Footpath Refurbishment	Pedestrian Improvement
Kilmainham Plaza	Traffic System Upgrade
	Structural Refurbishment
	Cycle Infrastructure

Class 2 – Water and Drainage infrastructure and facilities

Current Projects	***Proposed Projects***
Dublin Flood Early Warning System	River Liffey Catchment Flood Risk Assessment
Clontarf Flood Relief	River & Rain Gauging
Flood Resilien City Project	Integrated Constructed Wetlands
Dodder Flood Works	
Campshires Flood Protection Projects	
Eastern River Basin Study	
River Wad	
Sandymount Flood Defences	
Poddle River Flood Alleviation	
Flooding Emergency Works	

Class 3 - Parks facilities and amenities

Current Projects	***Proposed Projects***
Parks	
Fairview Park Upgrade	Implementation of conversation plans for Historic Parks.
Pelletstown Park Improvement	Development of Recreational Facilities in Local Parks
Johnstown Park Pavillion & All Weather Pitch	Springvale Park – Raheny – development of new park along Santry River
St Anne's Park Management Plan	
Bull Island	
Playgrounds in City Parks	
Le Fanu Park	

Class 4 – Community facilities and amenities

Current Projects	***Proposed Projects***
Refurbishment Works on Markets	Arts Facilities/Studios/Exhibitions
Leisure Centre Programme of Works	Ellis Court Arts Studio
Libraries Programme of Works	Security Upgrade Charlemount House & perimeter
	O'Deveney Gardens Community Regeneration
	St Michael Estate Community Regeneration
	Dominic Street Community Regeneration

Class 5 – Urban Regeneration facilities and amenities

Current Projects	***Proposed Projects***
Grafton Street & Environs	Thomas Street
Markets Refurbishment	Cork Street
	South Great Georges Street
	Moore Street & Environs
	“City Bike, Wayfinding System, Heritage Trails”
	Improvement Works to Liffey Quays
	Smithfield Phase II

Appendix 3: Actual Contributions received from 2004-2014

Class Description	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Total
Roads	1,626,353	9,612,085	11,547,134	11,622,952	5,316,086	2,301,670	3,672,575	2,730,186	2,125,986	3,308,785	4,101,016	57,964,827
Water & Drainage	4,142,106	24,480,712	29,409,027	29,602,125	13,539,370	5,862,050	8,985,989	5,796,093	4,246,934	7,464,201	3,883,430	137,412,038
Parks, facilities & amenities	259,378	1,532,980	1,841,591	1,853,683	847,834	367,081	574,799	401,037	304,370	499,094	566,719	9,048,567
Community facilities & amenities	484,799	2,865,264	3,442,082	3,464,682	1,584,671	686,104	1,123,395	904,008	724,709	1,061,330	1,438,079	17,779,123
Urban Regen. facilities & amenities	712,387	4,210,358	5,057,963	5,091,173	2,328,592	1,008,195	1,495,368	839,099	571,254	1,152,502	984,134	23,451,024
Total	**7,225,023**	**42,701,399**	**51,297,797**	**51,634,615**	**23,616,553**	**10,225,100**	**15,852,125**	**10,670,423**	**7,973,253**	**13,485,912**	**10,973,378**	**245,655,579**

Dublin City Council

Audit Committee

Minutes of Meeting held on 11 February 2015 at 8.00 a.m.
in the Members Room City Hall

<u>Attendance:</u>

<u>Members</u>
Mr. Brendan Foster, Dublin Chamber of Commerce, Chairperson
Mr. Johnny McElhinney, Dublin Business Forum
Councillor Naoise Ó Muirí
Councillor Nial Ring
Ms. Louise Ryan, TCD
Professor Marann Byrne, DCU

<u>Officials:</u>
Mr. Owen Keegan, Chief Executive
Ms. Kathy Quinn, Head of Finance
Ms .Mary Pyne, Head of Human Resources and Corporate Services
Mr. Hugh Fitzpatrick, Head of Internal Audit
Ms. Anita Mc Geever, Administrative Officer, Internal Audit
Ms. Carmel Watters, Staff Officer, Internal Audit

Mr. Richard Murphy, Principal Local Government Auditor

1. **Minutes of Audit Committee Meeting held on 9 December 2014**

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. **Audit Committee engagement with the Local Government Auditor in relation to the Annual Financial Statement for the financial year ending 31 December 2014**

Richard Murphy, Principal Local Government Auditor (LGA) joined the meeting at this time.

Mr Foster welcomed Mr. Murphy and asked if there were any particular issues he would be considering this year in his audit work in Dublin City Council (DCC).

Mr Murphy stated that some interim audit work had begun in January. A number of areas have been identified e.g. non-pay expenditure, lease payments, Voluntary Housing, Homeless Services, Rental Accommodation Scheme, Staff and Members travel, credit cards and insurance. Three of his staff are assigned to DCC at present but that will increase to six or seven by the end of March. He also said that he was cognisant of not impacting too severely on the Head of Finance's staff over the next number of weeks in view of the pressure and demands on their time to complete the Annual Financial Statement for 2014. In response to a query from Councillor Ó Muirí on the nature of the audit in relation to Homeless Services, he replied that they would be looking at the payments made to various bodies, the controls and good governance in place within these bodies and good use of such monies. He indicated that it was his intention to have the audit completed and his report issued by the end of July.

Ms Quinn undertook to issue the report to the members when it became available. **Action 1**

4. **Update on review of Corporate Risk Register – Mary Pyne, Assistant Chief Executive (HR & Corporate Services Departments)**

Ms Mary Pyne, Head of Human Resources and Corporate Services joined the meeting.

Ms Pyne provided members with the following documents:

- Dublin City Council Risk Management Policy (2008)
- Corporate Risk Register (2014)
- Note re the Role of the Risk Management Steering Group
- A report on Risk Management in Dublin City Council

Ms Pyne explained that Risk Management in Dublin City Council started circa 2007/2008 and was within the remit of the Head of Finance but is now coordinated by the Corporate Services Department. The value of it being in Corporate Services is that it can be aligned with the Corporate Plan.

In the review of the Risk Register for 2015 there will be a focus on strategic risks and it is hoped to consolidate risks.

5. **Report No.1: Audit Committee draft Annual Report to City Council**

Approved.

Councillor Naoise Ó Muirí asked if mention should be made in the report about the concerns raised by members at the last meeting about staffing levels in the Internal Audit Unit. The members agreed that there should be such a mention and Mr Fitzpatrick undertook to draft wording to that effect for Mr Foster's approval. **Action 2**

The Audit Committee Annual Report may then be submitted to the City Council. **Action 3**

6. **Internal Audit Report R 06/14**

   Review of Dublin City Council Properties Leased/Licensed to Community Groups in the Central Area.

Mr Fitzpatrick introduced the report and explained that a number of departments were covered in the report and that all recommendations were accepted and would be rolled out across all five Committee Areas.

Councillor Ring noted that the leasing of properties to various groups Dublin City Council is providing a huge community service and community gain of a significant value and suggested that DCC should be promoting awareness of this fact.

Following a query from Mr. McElhinney about follow up on implementation of recommendations, Ms Quinn explained that all recommendations are followed up on by Internal Audit and a report is presented to the Committee (usually mid-year, following the year of issue) outlining the level of implementation which is generally found to be high (about 95%). **Action 4**

7. **Internal Audit Report R01/15**

   Review of the effectiveness of the mutual Irish Public Bodies Mutual Insurance Ltd. (IPB) as insurers of Dublin City Council.

Mr Fitzpatrick introduced this report, stating that it took a long time to get the required information from IPB. The Project Management Office (established by the CCMA (City and County Managers Association) to co-ordinate the implementation of the Local Government Efficiency Review Group recommendations) is currently carrying out a review of IPB as an insurer of Local Authorities. This review will include an advisory on the procurement of insurance.

Councillor Ring observed that Dublin City Council appears to be subsidising the other local authorities.

Councillor Ó Muirí asked why it is not possible to go to the market.

Mr. Fitzpatrick explained that the relevant data (claims history, cost of handling claims etc) is not available. He noted that IPB are generally good to deal with and are prompt to pay out when necessary.

Ms Quinn further explained that following new regulation issued by the Central Bank it was necessary to transfer responsibility for insurance and claims from the Finance Dept to the Law Dept during the past year.

Mr Keegan drew the attention of the Committee to his letter of 4 February 2014 to the Chairman in response to the Internal Audit Report. He agreed with primary finding of the Internal Audit Report that it cannot be concluded whether or not IPB provides '*value for money'* in respect of the insurance cover it currently provides for Dublin City Council. He advised the Committee that the issues of '*value for money'* provided by IPB and the applicability of the 'Tekal' exemption are being pursued by the CCMA on behalf of the sector. The City Council will of course be guided by the results of this work.

He advised the Committee that the Council also needs to consider whether its current self insurance arrangements, which are very significant and much more extensive than the cover purchased from IPB, represent '*value for money'*. In addition, the City Council needs to ensure that its self insurance operation complies fully with good insurance practice (e.g. in terms of claims management and appropriate provisioning etc.) He advised the Committee that he intended to commission expert advice on the various options open to DCC to achieve 'value for money' in insurance services both self insurance and insurance services procuring externally. He would be reporting in due course to the Audit Committee on these matters. **Action 5**

Councillor Ring was more comfortable with overall service having considered all the factors

Mr Foster asked that the findings of the CCMA/PMO review be reported to the Audit Committee. **Action 6**

8. Internal Audit Unit – Report No. : Draft Annual Audit Plan for 2015

Mr Fitzpatrick explained that he had reviewed the plan in light of the staff resources available and has agreed with management that some audits may be deleted from the plan. In terms of necessary staffing levels he feels that the filling of the AO vacancy is necessary. Ms Quinn has requested that this vacancy be filled and the matter is being considered by the Chief Executive. Mr Keegan advised that the filling of the staff vacancy in Internal Audit remains under review by him.

Ms Quinn informed the meeting that the vacancy arose due to the death last month of Mr Joe Phelan who had been ill for some time.

The Chairperson on behalf of the Committee asked that a letter of sympathy be conveyed to Joe's widow on their behalf and that the letter would also express their appreciation of his contribution to the work of the Internal Audit Unit over the past 6 years**. Action 6**

Mr Foster asked for the rational for deleting audits and Mr Fitzpatrick went through the audits and the explanation for their deletion.

Mr Keegan informed the meeting that he has agreed with Housing Dept management to commission an external review of Civic Maintenance.

Ms Ryan queried the removal of the pyrite issue from the plan.

Following a discussion the plan was approved subject to the retention on the plan of the pyrite issue as a subject for consideration pending the outcome of ongoing litigation.

A briefing is to be brought to the Audit Committee by the Chief Executive on this matter (i.e. pyrite) **Action 7**

The Committee also requested that they be updated on the filling of the AO vacancy in Internal Audit. **Action 8**

9. Report 3: National Oversight and Audit Commission

Noted

10. Training for Audit Committee Members

The members agreed that the recent training at the IPA was useful.

Mr Foster mentioned that the IPA will provide a forum (network) for sharing of information etc for the chairpersons of audit committees in which he will participate.

11. Schedule of future meetings

The members agreed the following dates for meetings this year

13 May, 24 September and 10 December at 8am

and 3 September at 4pm (to discuss the AFS)

The meeting ended at 9.40am.

Signed <u>Brendan Foster</u> **Date: <u>13th May 2015</u>**
Chairperson
Chairperson.

Actions

Action 1 AFS and Local Government Auditors Report to be forwarded to members when it is available (KQ)

Action 2 Insert reference to Committee's concerns re staffing/resourcing of Internal Audit Unit into Annual report for approval by Mr. Foster (HF)

Action 3 The Audit Committee Annual Report to be submitted to the City Council. (HF)

Action 4 Review of recommendation implementation report will be submitted to the Audit Committee in due course. (HF)

Action 5 The Chief Executive to report in due course on the various options available to the Council in order to achieve value in its insurance arrangements including self insurance.

Action 6 The findings of the CCMA/PMO review of IPB as insurer of Local Authorities to be reported to the Audit Committee. (OK)

Action 7 Letter of sympathy to be conveyed to Mrs Phelan (HF)

Action 8 A briefing is to be brought to the Audit Committee on the issue of Pyrite and the risk to the council. (OK)

Action 9 The Audit Committee to be updated on the filling of the vacant post of Administrative Officer in the Internal Audit Unit.

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Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

Addressing and Resolving Mortgage Arrears in Dublin City Council

Presentation to DCC Housing SPC, May 6th 2015

Dr Dáithí Downey, DCC/ DRHE
daithi.downey@dublincity.ie

Overview

1. DCC Mortgage Book at March 2015
   – Forbearance under Mortgage Arrears Resolution Process (MARP)
   – Spatial Distribution of DCC Mortgages

2. Shared Ownership Scheme
   – Origins and background

3. Research Study on DCC Shared Ownership
   – Stage 1 findings (2012/3)
   – Stage 2 findings (2013/4)

4. Policy Development Options for DCC

DCC Mortgages @ March 2015: the 'mortgage book'

Table 2: The DCC loan book at March 2015

Type of loan	Number of loans	Value of loans (€)
Shared ownership	1255	190,352,809
Annuity	1225	109,428,240
Voluntary body	97	7,340,752
Home choice	11	1,707,396
TOTAL	**2,588**	**308,829,200**

- 1,192 (46%) of all loans in arrears;
- €157.2m (51%) of capital balance outstanding is impaired;
- Average arrears value of €12,677 per impaired or non-performing loan (@ December 2014 data);

DCC Mortgages @ December 2014: total arrears due has increased fivefold since 2007

Table 3: Total arrears balance and amounts collected by DCC, 2007-2014

Year end (December 31st)	Total amount due (€)	Total arrears (€)	Amount collected (% of amount due)
2007	26,381,050	**3,028,871**	92.4
2008	26,672,691	3,535,646	89.9
2009	22,352,766	5,479,127	78.0
2010	22,271,820	7,120,607	79.0
2011	21,298,375	9,289,652	71.0
2012	21,568,881	10,985,896	68.0
2013	20,390,003	13,436,685	60.0
2014	21,169,307	**15,809,314**	58.3
31/03/2015	*5,676,657*	*15,755,148*	*27.3*

DCC Mortgages @ March 2015: Medium- to long-term arrears is clearly a significant problem

- Almost three quarters of impaired accounts (74%) are more than 3 months in arrears, and;
- Almost half are more than one year in arrears i.e. 605 households > 12 months in arrears.

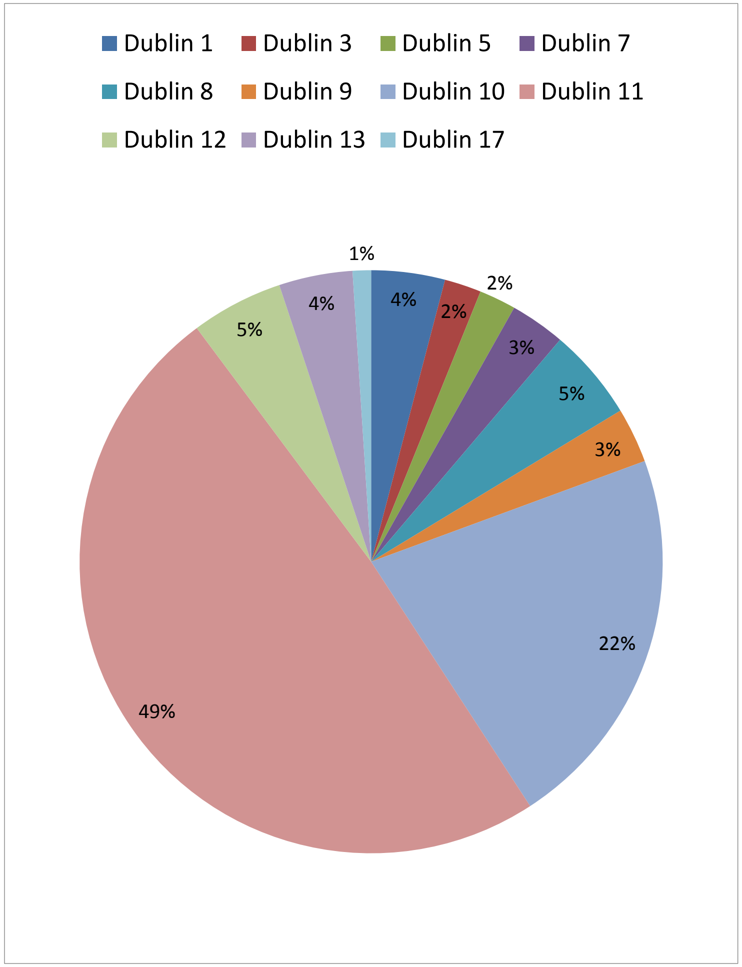
Category	Revenue Balance	No. loans	Loan Capital Balance	% of loan arrears per capital balance
Less than 1 month arrears	€46,037.85	149	€18,777,441.12	**0.25%**
1 – 2 month arrears	€100,387.21	95	€11,916,689.46	**0.84%**
2 – 3 months arrears	€94,979.69	57	€6,541,169.72	**1.45%**
More than 3 months	€1,537,392.81	286	€37,711,316.55	**4.08%**
More than 12 months	€13,976,351.39	605	€82,256,441.43	**16.99%**
Total Arrears	**€15,755,148.95**	**1,192**	**€157,203,058.25**	**10.02%**
Not in arrears		1,396	€151,626,141.94	
GRAND TOTAL	€15,755,148.95	2,588	€308,829,200.22	**5.10%**

DCC Mortgages: unsustainable accounts for Mortgage to Rent (MtR) and for possession (@ December 2014)

At the end of 2014, a total of 251 accounts are categorised as unsustainable with 154 being assessed for mortgage to rent and the balance of 97 being assessed for possession (there are 25 properties due for repossession in 2015, 12 of which are abandoned).

In terms of DCC repossessions, to date there have been 16 cases of voluntary surrender and 93 District Court repossessions (a total of 109 properties have therefore been taken into DCC's possession). The vast majority of these (n=100) relate to shared ownership including 'affordable' shared ownership. Repossessed properties are located across the city, with the majority in Dublin 10 and Dublin 11.

To date, only TWO households entered homeless services as a result of possession. Both departed to PRS.



DCC Forbearance under Mortgage Arrears Resolution Process (MARP)

At December 2014:

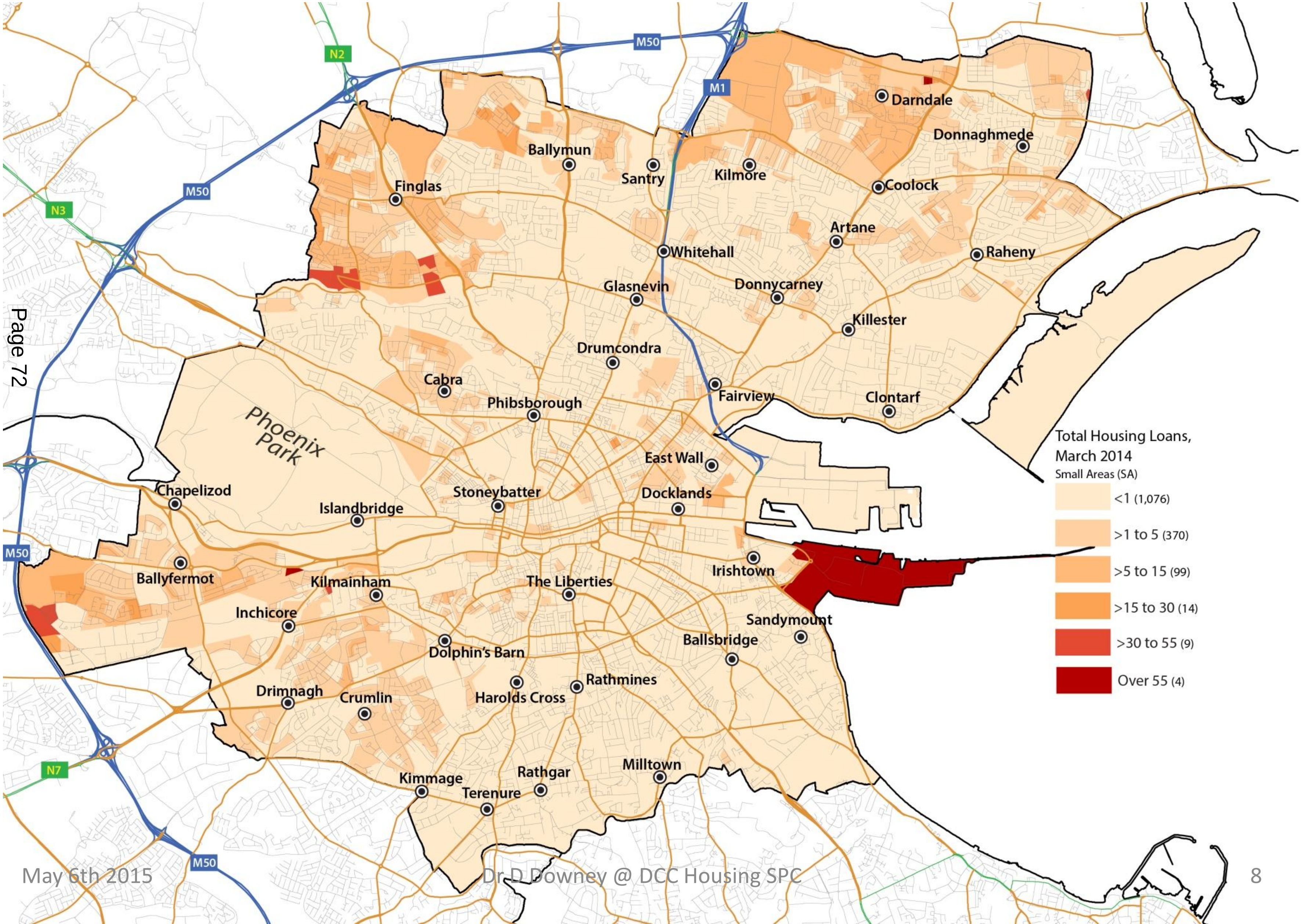
a) The majority of DCC's distressed borrowers (1157 or 93%) are engaging with DCC forbearance arrangements.

a) Only a minority (n = 90 or 7%) are currently not engaging and are being dealt with accordingly under the MARP.

b) Around a quarter (n=310) are currently engaging under the local authority Mortgage Arrears Resolution Process (MARP); about two thirds (n=847) are currently being reviewed, assessed and ICB checked with regard to their Standard Financial Statements (a requirement of the MARP).

c) The majority of borrowers are working (n=876), but a sizeable minority is either unemployed (n= 358) or separated (n =95). The balance are self-employed (n=13).

Spatial Distribution of All DCC Housing Loans (March 2014)



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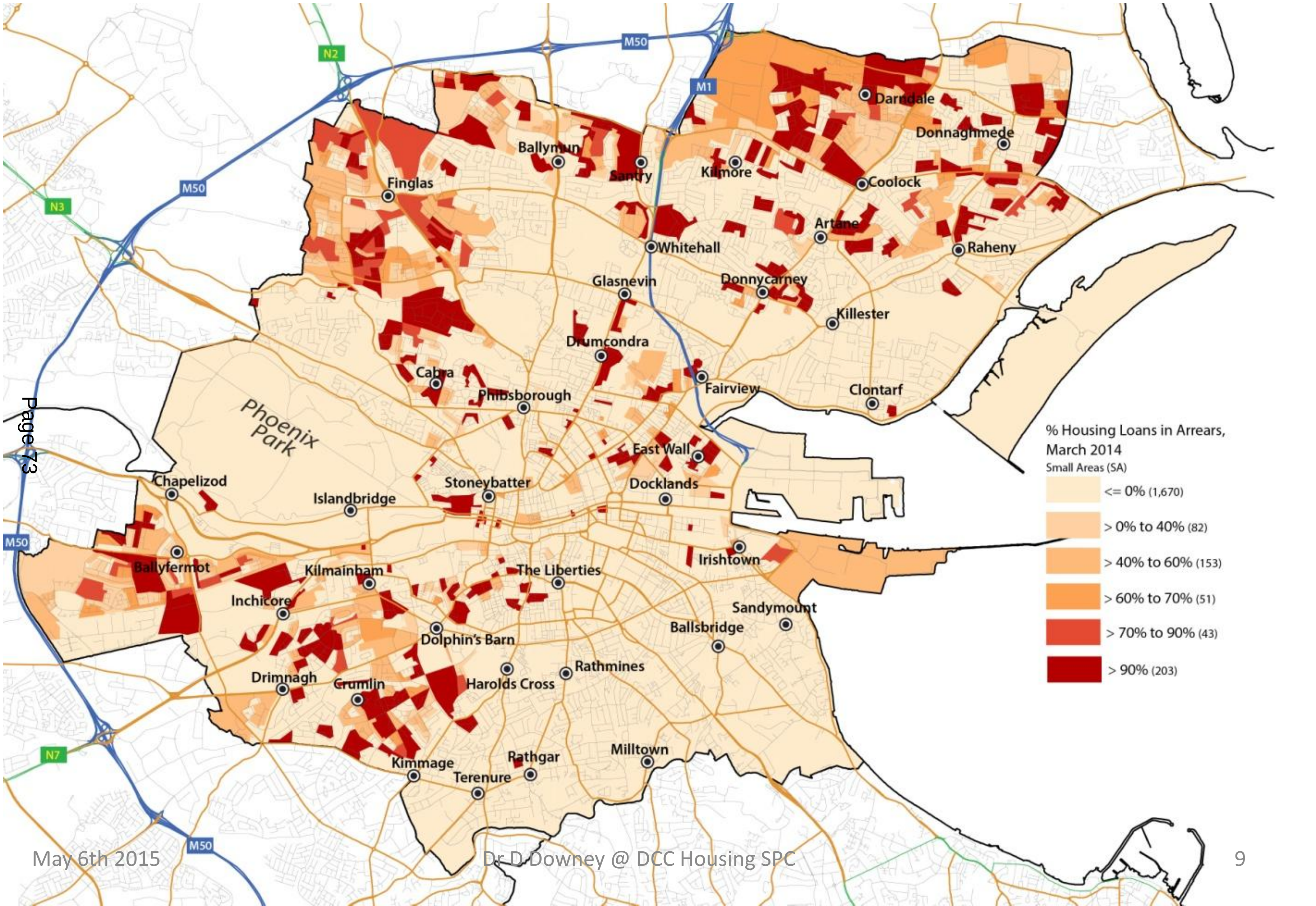
Spatial Distribution of Number of DCC Housing Loans in Arrears (March 2014)



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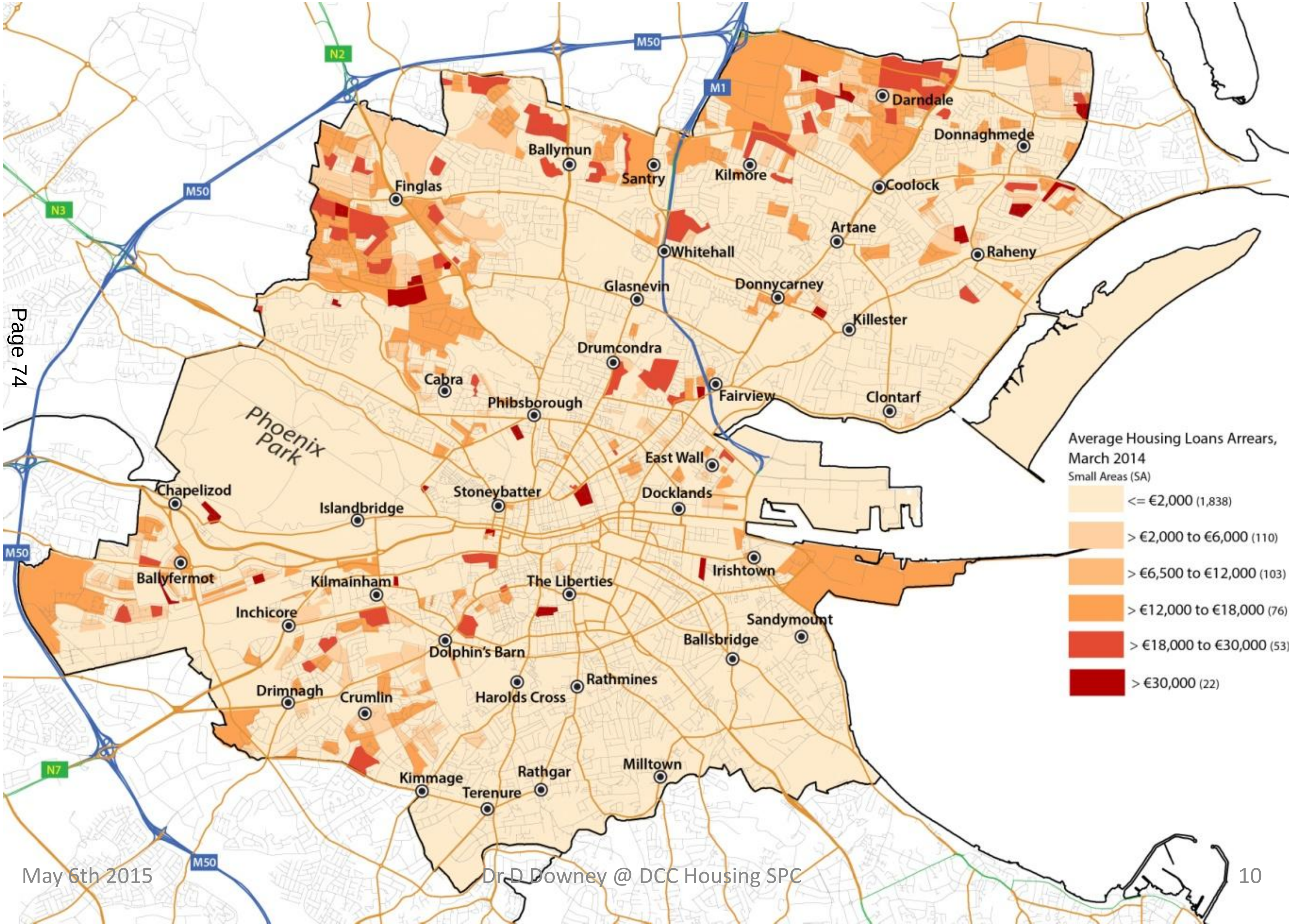
Spatial Distribution of DCC Mortgage Arrears (March 2014)



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Low-income homeownership *via* local government mortgages: Irish state-backed completion of residential mortgage market pre-EMU (i.e. *Shared Ownership v1*; Affordable Housing Scheme, 1999) and post-EMU (*Shared Ownership v2*; Part V Affordable Housing Scheme 2000/2002)

- The Shared Ownership scheme was one of the measures introduced by the then Department of the Environment under the policy document *'A Plan for Social Housing'* in 1991.
- Established to 'facilitate access to home ownership to those who were unable to buy a home outright with a conventional mortgage'.
    - In the early 1990s, the ERM Crisis and subsequent devaluation of Sterling and the its impact on the valuation of the Irish Punt produced a credit contraction and ensured that households on lower incomes were unable to access mortgage finance from a bank or building society.
    - High interest rates (1992-1995) were considered a further barrier to entry to Irish home ownership.
- Notable among the eligbility criteria was a requirement for asprirant borrowers to confirm two rejected applications for mortgage finance from 'high street' or prime lenders

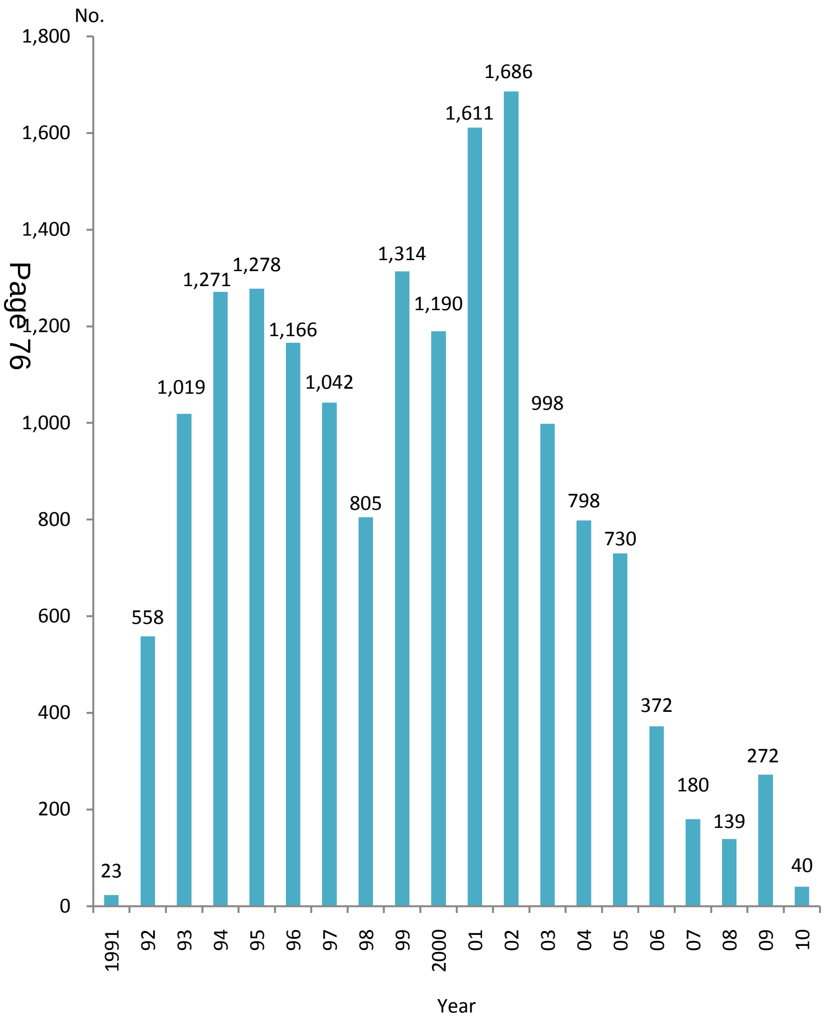
Index Linked Loans (pre EMU)

- Introduced in 1991.
- Loan is split between annuity and rental portions.
- Annuity loan is repaid on variable interest and capital repayment basis.
- Rent is charged at 4.3% on rental equity balance.
- *Rental equity is not reduced* by the amount of rent paid.
- Day 1 rental equity balance is adjusted by CPI each July.
- Rental equity can be bought out in special payments.
- *Rental equity balance must be cleared at end of annuity loan term.*

Post 2002 Loans (post EMU)

- Introduced in 2003.
- Loan is split between annuity and rental portions.
- Annuity loan is repaid on variable interest and capital repayment basis.
- Rent is charged at 4.3% on Day 1 rental equity balance.
- *Rental equity is reduced by the amount of rent paid above amount payable on the going interest rate.*
- 4.3% charge is increased by 4.5% each July (compounded).
- Rental equity can be bought out in special payments.
- *Rental equity balance will normally be cleared by end of annuity loan term*

Shared Ownership: growth and decline reflects changes in Irish mortgage market and lending criteria pre- and post-EMU; 'loosened' lending criteria, sub-prime market and rapid price inflation impact on demand for SO; Irish economic, financial and banking crisis from 2008 leads to elimination of schemes



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- From 1991 to 2010 a total of 16,492 loans were issued by local authorities
  - 12,693 index-linked;
  - 3,529 post-2002 (post-EMU)
- 4,457 remain outstanding as of 31st March 2013.
  - 1,519 index-linked;
  - 2,938 post-2002 (post-EMU) (includes Part V Affordable units offered as Shared Ownership!)
- Of these 2,289 are in arrears >90DPD
  - 212 set to mature by March 2018
- As per the Irish government Housing Policy Statement of 2011, all mortgage loans under the Shared Ownership & Affordable Housing schemes are no longer available.

Two stages to research on SO

- Stage 1: quantitative (2012/13)
- Sample includes shared ownership and affordable shared ownership accounts in arrears for greater than 90 days @ June 2012
- N = 476 households

- Stage 2: > qualitative (2013/4)
- Representative sub-sample of N=44 households
- Semi-structured interviews
- Collation of ‘follow-on’ data on housing costs and household incomes)
- Case study

Stage 1: Profile of Borrowers

- Majority are single-income borrowers (70%).
- Average age of 32 years at time of borrowing.
- Over half of households had no children (51%).
- Average income at time of borrowing: €28,527 (single borrowers) and €38,702 (joint borrowers).
- Precariousness of employment and income is notable
- Majority of purchases were for apartments (47%) and many of these were two bed (63% of apartments purchased).

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Predominantly focusing on ‘boom-time’ borrowing:

2003	2004	2005	2006	2007	2008	2009	2010
3%	**17%**	**19%**	**24%**	**19%**	**12%**	6%	<1%

Profile at time of Borrowing: Savings (deposits) at purchase year are low…

	Single Borrowers		Joint Borrowers		
	N	**%**	**N**	**%**	**Total**
€1,500 or less	105	**32**	36	**25**	**141**
€1,501 to €5,000	121	**37**	58	**40**	**179**
€5,001 to €10,000	33	10	12	8	45
Over €10,001	19	6	7	5	26
No savings (or missing)	52	16	33	23	85
Total	330		146		476
	€		**€**		
Average (amongst all respondents)	3,179		2,783		
Average (amongst those with some level of savings	3,773		3,571		

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When compared to (approved) property price when purchased (prices is increasing throughout period of bubble)

Price Range	Number of cases	%
Under €150,000	45	9
Between €150,001 to €175,000	55	12
Between €175,001 to €200,000	117	25
Between €200,001 to €225,000	98	21
Between €225,001 to €250,000	86	18
Over €250,001	56	12
Missing	19	3
Total	476	
Average property price		

- The average property price was €207,118 with the median €205,000

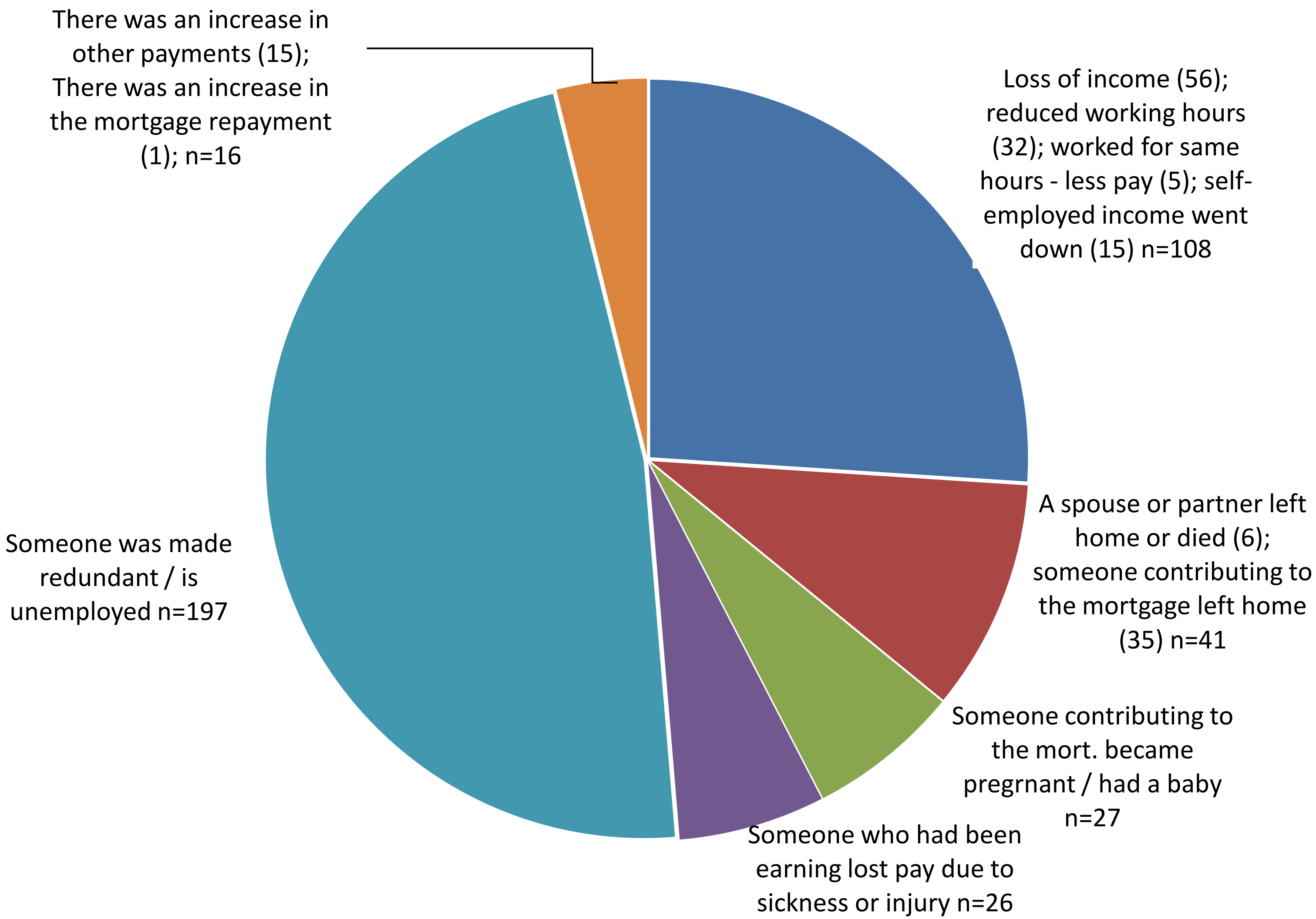
This reflected in the increase in actual loan size over the period…

Average Loan Advanced	2003 €	2004 €	2005 €	2006 €	2007 €	2008 €	2009 €	2010 €
All accounts (n=474; missing=2)	99,977 (n=14)	104,347 (n=79)	132,026 (n=89)	117,352 (n=113)	124,088 (n=89)	132,886 (n=58)	124,849 (n=30)	126,725 (n=2)
Affordable Shared Ownership (n=308; missing =2)	105,898 (n=9)	99,692 (n=43)	140,306 (n=54)	117,495 (n=81)	123,556 (n=74)	133,923 (n=39)	116,831 (n=8)	-
Private Shared Ownership (n=166)	95,750 (n=5)	109,908 (n=36)	119,251 (n=35)	116,991 (n=32)	126,713 (n=15)	130,758 (n=19)	127,764 (n=22)	126,752 (n=2)

Price, loan and arrears..

- Average property price €207,118.
- Average % LA ownership of 47.89 % (but a number of annuity also).
- Average loan advanced was €121,106.
- Almost 68% of borrowers were borrowing under €125,000.
- Loan duration on average 26 years.
- On average these 496 accounts fell into arrears within 25 months (median = 20 months).
- Arrears owing on these accounts was €5.376m in January 2012, rising to €5.8m in June 2012
- However, important to acknowledge these arrears are not the only thing owing!
- Household Debt position (Consumer Debt/ Utility/ CU/ Moneylenders etc)

Reasons for arrears: predominantly economic determinates



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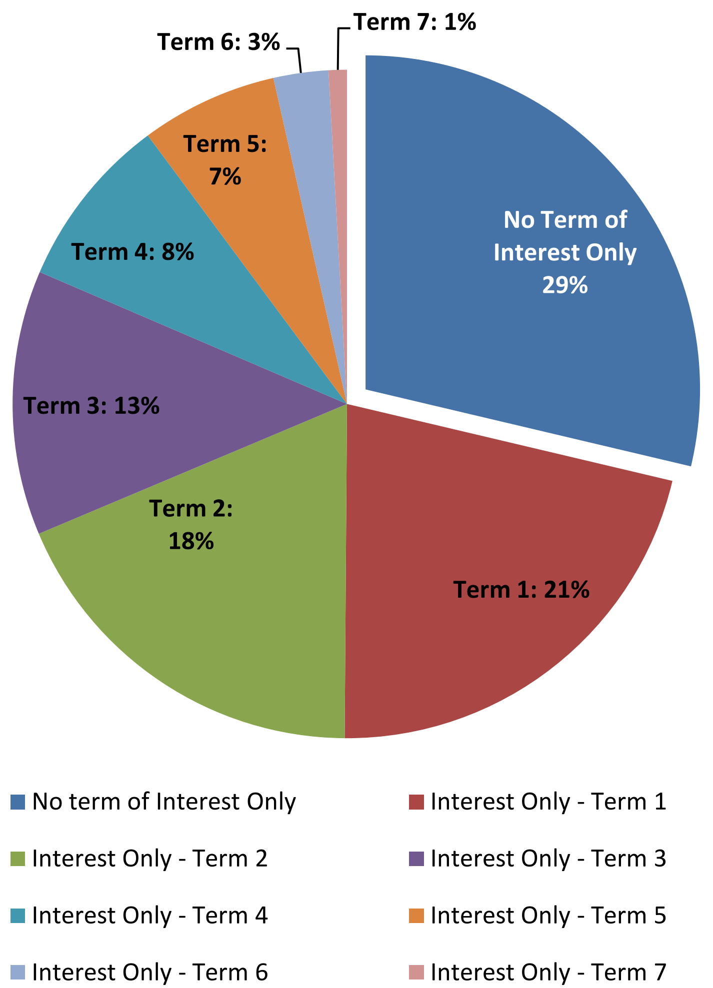
Limited forbearance options: 'interest only' payments



- A term of Interest Only is six months. A maximum of six terms is allowed with an additional seventh term for exceptional circumstances
- Almost 70% of the respondents have had at least one period of 'Interest Only'
- Little evidence of capitalising arrears or extending loan term (n=16)
- There is evidence that approx. 1 in 3 have applied for MIS
- Little evidence of trying to sell the property (n= 27) or rent it out (n=30)
- One-quarter of the accounts had reached informal letter stage (movement of issue to law department)

Stage 2 Findings: Some dominant themes emerging…

Lack of alternatives i.e. social housing options:

> *"We went to go looking at apartments and everything to rent and they wouldn't let us rent".*

Normalisation of owner occupation:

> *"I was brought up to think that you buy.. we were always told rent is dead money"*

Incorporation into homeownership – optimism and positivity:

> *"It was giving the likes of me an opportunity to get onto the property ladder"*

Despite mainstream mortgage refusals **trust (also surprise) in public body offering loans** – thought must be OK:

> *"If I had 10 years ago been told 'Sorry, we are not funding your mortgage, we don't think you're suitable' or whatever, at the time I would have been devastated, absolutely, but I'd have got over it. At this point in my life looking back I think I'd be saying 'Phew, thank God. They did me a favour".*

Stage 2 Findings: Some dominant themes emerging…

Widespread **pauperisation** and imiseration:

"But it's just all bills and like to be honest we are not living. We don't go out as I say. I mean like it would be nice to even get out to the pictures. We can't go anywhere, we are confined to the house all the time. I am only 42 and as I said my partner is only 50 but it feels as if we have lived our life, we're about 90. I know it might sound mad but it's just its terrible".

Debt entrapment, arrears and growing mortgage balance...mitigated by refusal to financialise home (in contrast to many private sector counterparts):

"No, no I don't believe in loans and I don't… I don't believe in putting myself into arrears or anything"

"I wouldn't put myself into more arrears now for the sake of a kitchen"

Standard forbearance (interest only) welcomed as initial respite but then... "**Advanced forebearance**" (long-term interest only) **only prolonging problem:**

"It seemed to be going on forever to be honest with you, we had no certainty about anything (respondent had been on interest only for three years…)"

Mortgage to Rent: positive response – psychological and financial benefit tempered by loss of potential asset and money expended on property...

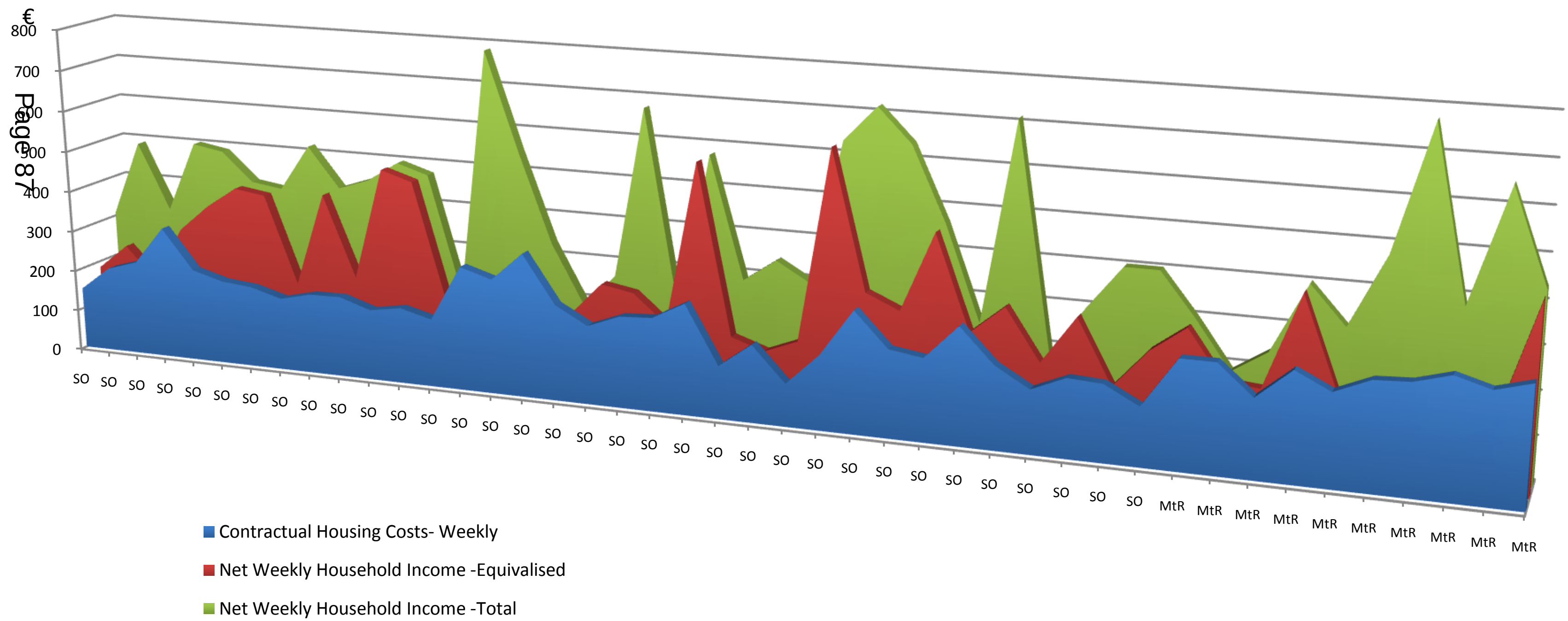
"It's just the security of it, you know, that I'm not going to lose the roof over me head…the most important thing to me was that I was able to keep the roof over my head…and it's very manageable now"

"What's more important to me is somewhere to live without the headache and the constant arrears building up around me"

Household income (equivalised and net) and contractual housing costs

1. In 2013, the average (median) equivalised income figure for the general population was €337.52 per week. For our sample it is €240.00 per week. Expressed another way, on average, <u>the equivalised income for our sample (n=44) is almost *30 percent below* the figure for the Irish population generally</u>.

2. Income from all sources for the respondent households was also calculated in terms of total net household income for each household, and underlines the extent of low-income among the sample. Again by way of comparison, on the most recent SILC data available (for 2013), <u>the average net household income figure for the general population was €643.63 per week. For our sample it is around €413.00 per week or *35 percent below* the equivalent figure for the Irish population generally</u>.



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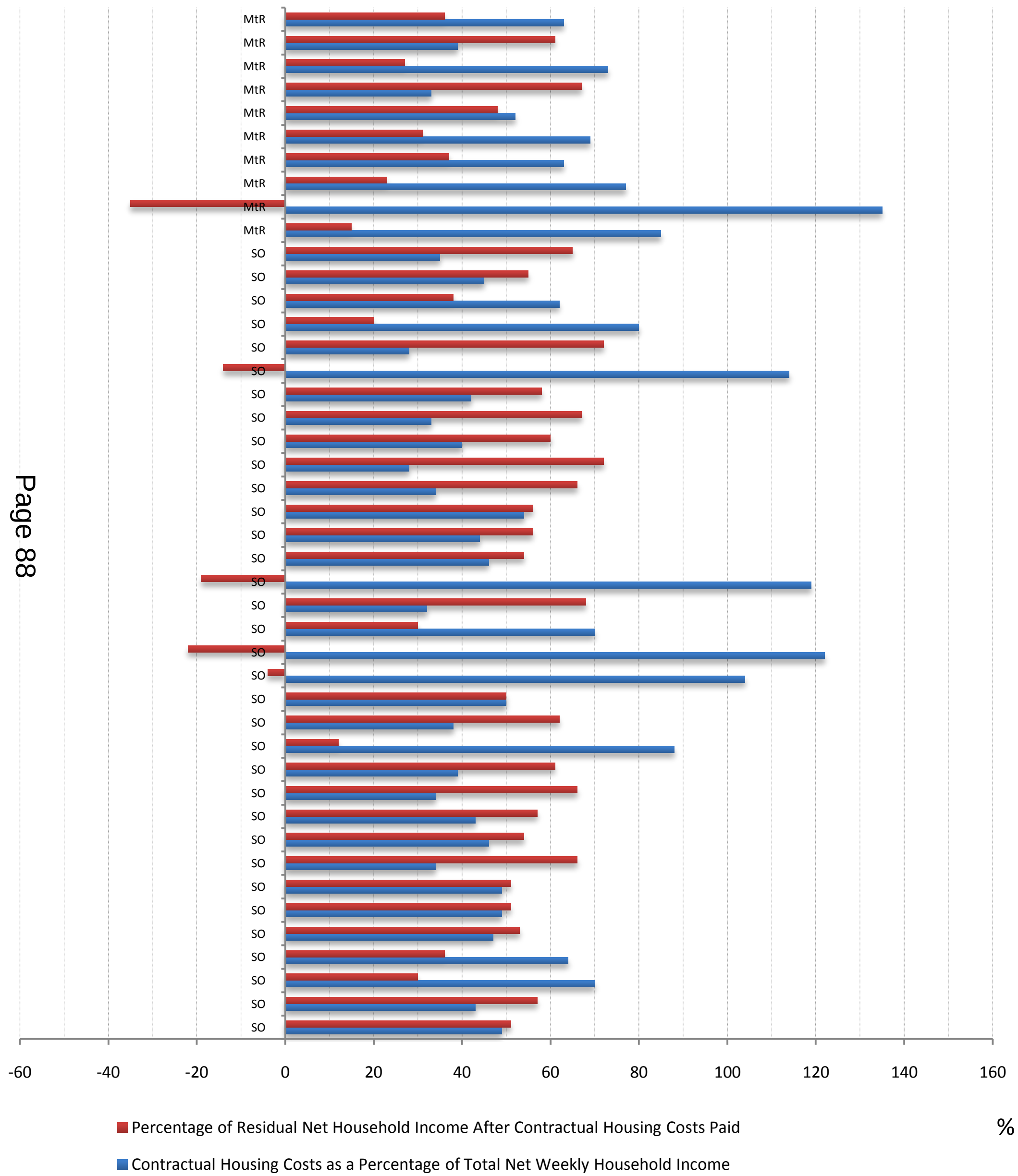

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Residual income affordability of contractual housing costs (n =44)

Approach uses net disposable income per household to gives a more accurate and reliable measure of the affordability of housing costs in terms of residual income remaining to meet cost of living expenses.

What is immediately notable is how extensive *unsustainable housing costs* are among the sample. If we assume, for example, that a housing cost of 30% of net household income is the accepted standard measure of affordable housing cost that is sustainable by a household over the medium-longer term, as

Just two households among the sample have a sustainable contractual housing cost on this measure.

A further seven households have '*borderline sustainable'* contractual housing costs (in these cases contractual housing costs amount to between 30 and 35 percent of net household income).

Five households have contractual housing costs that are *in excess of* their total net weekly disposable income by values of 4, 14, 19, 22 and 35 percent respectively. In effect, these households would have no income remaining at all if contractual housing costs were met.

Unsustainable housing costs 1: only two households can afford contractual housing costs without breaching the 30% affordability line (calculated on residual net income basis)

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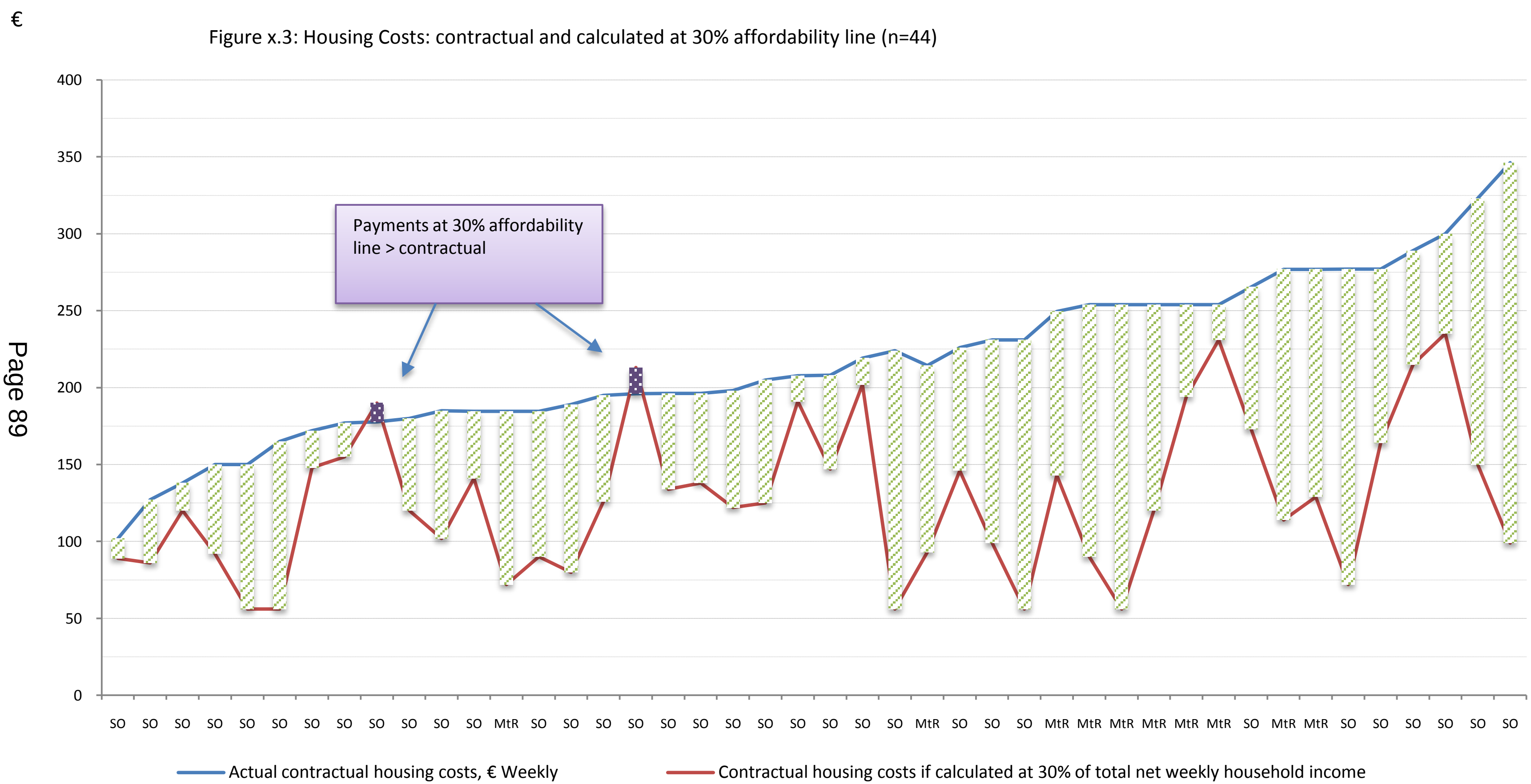
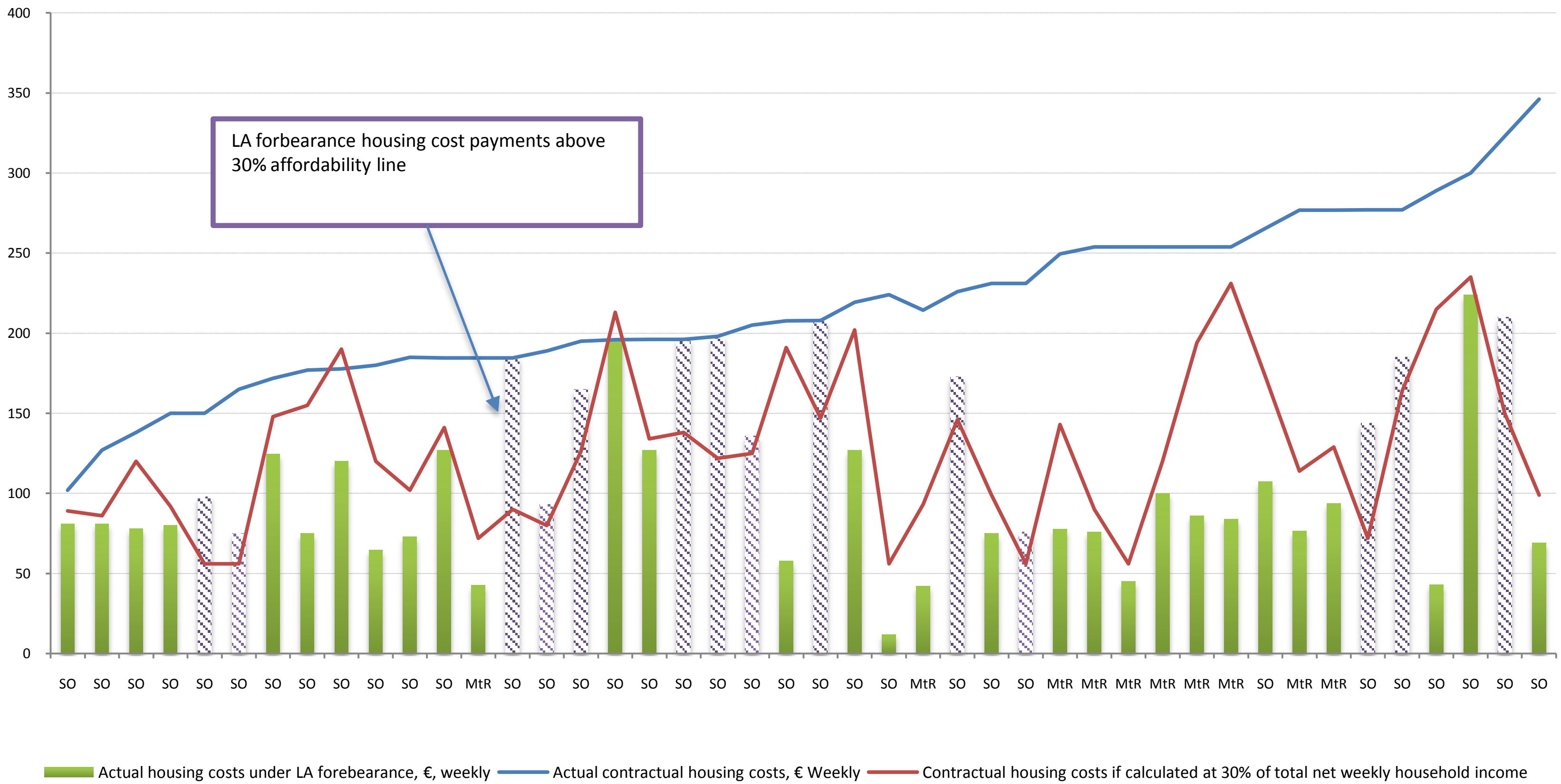


Unsustainable housing costs 2: Despite being in long-term forbearance arrangements, 14 households are making weekly payments that are above the 30 % affordability line.

Figure x.4: Actual housing costs under forbearance arrangements (€, weekly)



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To allow each stage 2 household establish a sustainable forbearance arrangement requires contractual housing costs to be reduced by 41 percent

(mean = €4,908; median = €6,084 per household)

A. The annual value of the contractual housing costs for the sample households is estimated at €497,335.28.

B. To allow each sample household to establish a sustainable forbearance arrangement - i.e. one that ensures a minimum residual (i.e. after housing costs are met) net weekly household income of 70 percent of total weekly income - requires the annual value of contractual housing costs to be reduced by an estimated €206,128.00 (or 41 percent) for the sample as a whole.

C. As above figure illustrates, there is considerable variation in the extent of reduction required per household to achieve sustainable forbearance payments.

D. However, the estimate of the value of the annual reduction required per household in the sample ranges from a mean value of €4,908.00 to a median value of €6,084.00.

E. This is, in effect, the estimated annual cost required to produce affordable and sustainable forbearance arrangements for these low-income shared ownership households. This is not the cost of a debt write down for the arrears outstanding and unpaid among these households.

Policy development options for DCC and stakeholders

1. For mortgage holders with unaffordable DCC mortgages, a debt-for-equity swap to reduce their contractual housing costs to a maximum of 30 percent of net disposable household income is proposed.

2. For mortgage holders with unaffordable DCC mortgages who are in arrears and in forbearance arrangements with DCC, the following is proposed: progressive warehousing arrangements (i.e. a split mortgage), or arrears capitalisation and term extension that reduces the contractual payments to our affordability standard, avoids penalty interest accruing and provides incentives to redress the balance of outstanding debt towards resolution within a fixed time period. This time period to be determined in accordance with the principles of current options under Irish personal insolvency legislation and guidelines, and the need to achieve:

    - Security of tenure
    - Sustainability and affordability of housing costs
    - Foreseeable discharge from outstanding debt
    - Suitability of accommodation.

Policy development options for DCC and stakeholders

3. For mortgage holders with unaffordable DCC mortgages who are in arrears and in forbearance arrangements with DCC, but who wish to leave their mortgage arrangements, a more expansive Mortgage to Rent scheme is proposed that can take account of the complexities of income and liabilities (including management fees), household relationships, size, location and current open market value (OMV) of property and other relevant eligibility criteria that are restricting the current rates of take up of the scheme.

4. For mortgage holders who wish to move-on from their properties (e.g. those who are 'under-accommodated'), options on annuity mortgages on a 'right-to-sell' basis (i.e. sell back to DCC), including ideas on negative equity mortgages, extending maturity terms, and other options on renting out their property in order to avoid voluntary surrender or strategic default, are proposed.

5. However, it should be noted that additional issues relating to repossession and voluntary surrender (with the aim of avoiding homelessness), should also be considered a priority for DCC policy development.

6. Finally, the negative outcomes for such a high percentage of borrowers (and by extension for the City Council), coupled with widespread confusion stemming from the Scheme's underlying complexity, begs the question for the future as to whether DCC should continue to approve subprime mortgage finance or should consider discontinuation of all such lending pending the effective resolution of current forbearance arrangements for its mortgage holders.

Next steps…

- Publication of finalised research report
- Publication of policy options and 'position' paper
  - Feedback from DCC elected representatives
  - Debate on policy options
  - Costing of policy options

Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

Report to the Finance and Emergency Services Strategic Policy Committee

Report on Waste Collection and Disposal related to Casual Trading at Thomas Street, Camden Street and Moore Street

I refer to correspondence dated the 26th March which advised that the Finance and Emergency Services Strategic Policy Committee (SPC) discussed the matter of waste collection and disposal related to casual trading at Thomas Street, Camden Street and Moore Street. The SPC requested that a report would be presented to its next meeting outlining the following at each location:

- Waste collection costs
- Waste disposal costs
- The value of invoices issued in respect of incurred costs
- Value of monies owing in respect of invoices issued

Waste Collection/disposal costs:-

It is difficult to quantify the waste collection/disposal costs for cleaning specific streets however we estimate that the annual street cleaning costs for Moore Street alone are approximately € 146,000 and this is calculated as follows:-

Cleaning operations:	€ 45,000
Wages of Supervisor plus Litter Warden:	€ 80,000
Power Wash once at week:	€ 21,000
Estimated Cost of	€ 146,000

The value of invoices issued/monies owing:-

As far back as 2007 invoices were issued to traders in the areas mentioned above. Some payments were received but at a very low level. Numerous efforts were made to recover these debts but with very limited success. Due to the difficulties surrounding the collection of the outstanding monies a decision was taken in 2012 not to issue any further invoices notwithstanding the fact that casual trading licences place obligations on the licence holder to manage his/her litter and make arrangements for its removal. This situation is not sustainable from a Waste Management point of view and the issue has again been highlighted in discussions with the Environment SPC in the context of the new Litter Management Plan currently in preparation.

In the meantime a pilot project led by the Central Area office is being undertaken on Moore Street to examine all aspects of the casual trading activities being carried on there and we are participating in that project.

Declan Wallace
Executive Manager
Environment & Transportation Department

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