Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

NOTIFICATION TO ATTEND MEETING OF THE FINANCE SPC

TO BE HELD IN THE BY REMOTE VIDEO CONFERENCE VIA - MICROSOFT TEAMS

ON THURSDAY 20 MAY 2021 AT 2.30 PM

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AGENDA

THURSDAY 20 MAY 2021

9 A.O.B.

Finance Strategic Policy Committee

Minutes of Meeting Held 25th March 2021

1. **Draft Minutes of the Finance SPC meeting held on 21st January 2021**
   The draft minutes were adopted.

2. **Matters Arising**
   No issues were raised

3. **Correspondence**
   Letter from Cllr. S. McGrattan to Minister for Finance re: Local Property Tax Reform – copy correspondence was noted. A response from Minister Donohoe was received directly by Cllr. McGrattan. This response acknowledges some of the concerns raised by the committee.

   Agreed: It was agreed that a copy of Minister Donohoe's response will be circulated to members.

4. **Dublin City Council EU Programme Participation Strategy 2021-2027**
   Mary MacSweeney and Ciara O hAodha from the Economic Development Office & International Relations Office made presentations on the work carried out within Dublin City Council in the preparation of a strategy in advance of the upcoming European Funding Programme 2021 – 2027 opportunity process.

   These presentations covered the following:

   - Establishment of the International Relations & European Affairs SPC Working Group in order to prepare for future EU funding and project opportunities and raise awareness of funding opportunities in the new EU Budget cycle 2021-2017
   - An overview of the EU Programme Preparation Process in 2020 across 3 stages of 1) Internal Organisation Survey, 2) Information Sharing Sessions 3) Development of the European Programme Strategy document
   - DCC Internal European Funded Programme Survey carried out across all departments in October 2020 to ascertain details on existing and past EU projects / EU funded national projects that DCC had participated in or applied to.
   - Survey results overview presented information on both successful and unsuccessful projects funded during 2014 – 2020
   - Information Sharing Sessions held in November 2020 across the 4 agenda of Urban & Regional Development, Horizon Europe, Social & Culture and Green & Smart with a final session held for a full Council Briefing
   - Development of EU Strategy document was completed in December 2020
   - Next Steps**:** A European Programme Office is now being established within Dublin City Council with the aim of implementing the strategy.

   At the conclusion of the presentations, the members raised the following issues and sought clarification on the following points:

   - What is the scope of the direct funding opportunities for Dublin City outside Government decisions– it was noted that the vast majority of funding opportunities will be channelled through the Government

- Engagement with councillors on funding opportunities – it was noted that the Programme Office will look at this issue on best members will be supported
- Smaller EU funding opportunities for community groups
- Liaison with Irish representative contacts in Europe – The Programme Office will look at this issue for further development
- Wheel Initiative – Further information will be circulated to members
- Green, Smart and Digital agenda – further information sought on this item – M MacSweeney clarified the 3 categories
- How will Councillors liaise with the European Programme Office when they have a project in mind - it was noted that project proposals will be led by Senior Management in the departments however the SPCs will have a role in raising ideas and pointing out funding opportunities.
- Autonomy of the Council applying for funding or do they need to go through DoHLG&H – it was noted that DCC will have full autonomy on the projects that they seek funding on.
- Partnership opportunities with other EU cities as the only English speaking city – it was noted that for all of these project funding opportunities a partner must be identified
- Comparison with other local authorities when seeking funding opportunities – It was pointed out that DCC are actively engaged however other Irish cities have already established programme offices to seek such funding. DCC will be looking to maximise the grant opportunities available.

At the conclusion of this agenda item, the significant input of Cllr. Mary Freehill was acknowledged. The speakers were thanked for their presentations.

5. Rates Debtors Report year ended 31st December 2020

Anthony O'Donoghue, A/Senior Executive Officer, Rates Office, presented a report on the schedule of uncollected rates at the end of 2020 as set out in the Local Government (Financial Procedures and Audit) No 2 regulations 2014.

This report on commercial rates arrears at the 31st December 2020 sets out the following information:

- **2020 Local Authority Sector target improvement for rates collection** – no targets set for 2020 due to Covid 19.
- **Commercial rates funding**
- **Rates Collection Performance Y2016 – Y2020** with income of €357,693,512 for 2020.
- **2020 Commercial Rates Income by Electoral Area**
- **Rates Collection Percentages 2016 – 2020** with a 10% reduction in collection in 2020 primarily resulting from the accounting treatment of the commercial rates waiver being netted off against the total warrant collection
- **Covid -19 and financial support** - Rates Waivers broken down by charge range, valuation category and electoral area
- **Level of arrears during the period 2016 – 2020** - noting that the 2019 level of arrears of €23.1M was the lowest since 1999. It further noted that the 2020 level of arrears of €34.1M, an increase of €11.1M on 2019, results from the financial impact of Covid 19 on ratepayers and the low level of performance during 2020 on the incoming arrears from prior years.
- **Age Profile of the 2020 arrears**
- **Analysis of the 2020 arrears by charge range and rate description category**
- **2020 arrears schedule status** - life cycle of the recovery process

- **2020 arrears by electoral area**

In summation of the report, it was noted that 2020 was an unprecedented year for businesses and the national economy. The flexibility, resilience and commitment of the rate collectors and rates staff in operating in a very challenging year and ensuring the effective administration of the rates waiver schemes, the functions of the rates office and communication with all ratepayers during the year was acknowledged.

Following the presentation, members had a number of comments and queries to raise:

- Noting the rates income of €357m for 2020 and the Waiver Scheme figure of €159m, analysis was sought on the portion of the rates waiver charge that will be recoverable in 2021-2023 and how much is at risk into the future - It was noted by F. Moran that it is difficult to analyse the ability of companies that fall into those categories to pay their rates in full or over a period of time and the Rate Collectors will work with these ratepayers to discharge their liability over a period of time.
- Rates Collection – a query was raised whether there was a benefit/additional income to the City Council due to the Rates Waiver Scheme whereby ratepayers, who ordinarily would be in arrears/non payers, were entitled to the waiver – It was noted by F. Moran that the number of companies that would fall into this category is not available at present but will be gathered over time.
- Analysis of the pattern of arrears from companies exempt from the Rates Waiver Scheme and any projections forward on the impact of this exemption – this analysis will have to be carried out and again the Rate Collectors will work with them and their financial ability to discharge those liability on a case by case basis.

6. Rates Waiver Scheme 2021

Anthony O'Donoghue, A/Senior Executive Officer, presented a report on this item. It was noted that the previous scheme in 2020 operated from 27th March to 27th December 2020 covering DCC rating liabilities of €159.5m.

In December 2020, a new rates waiver scheme was announced for 2021, the details of which were issued on 27th January 2021 for the first quarter. This was subsequently extended to the second quarter of 2021.

This scheme for 2021 is a more restrictive scheme than the 2020 scheme due to changes in eligibility criteria. It is further noted that due to these changes, it is estimated that government funding for each quarter in 2021 would be reduced by €24.3m and therefore those rate payers previously exempt would now have a rates liability.

The breakdown of the main category changes was presented in table format and summarised as follows:

- The 2021 scheme applies to two quarters only.
- Certain categories included in the 2020 scheme (i.e. rates waived) are not included in the 2021 scheme e.g. Offices, Industrial and Vacant Units.
- There is also no appeals process for vacant units.

Attention was drawn to the percentage of rate payers eligible for the new scheme i.e. 44% versus 92% in 2020. Furthermore, the percentage of rate payers not eligible for the waiver has risen from 8% to 56%. Details were provided on the excluded categories of rateable properties.

The ability to appeal an exclusion from the scheme is available and businesses must demonstrate a 75% reduction in their turnover in the first quarter of 2021 in comparison to their average weekly 2019 turnover. An allocation of 7.5% of total funding has been given over for the purposes of this appeals mechanism.

At the conclusion of the presentation, the following issues were raised or addressed:

- Issue with the one size fits all approach for all local authorities' means that Dublin is under supported in comparison to the rest of the country.
- The need to devise a better financial structure for local government funding into the future.
- The concept of Working from Home and the impact it will have on businesses in the city centre and the need for the Finance SPC to plan for this change.
- Subtle changes in eligibility will have an impact on whether business which have been largely vacant will reopen when permitted.
- Many office premises in Dublin had already been impacted by their ineligibility for the first waiver scheme due to the higher valuations on their properties. These new criteria will impact even further.
- The issue of the sustainability of local government funding was raised.
- Certain sectors will need the waiver scheme to continue beyond the first two quarters e.g. hospitality sector and Government must be contacted about these sectors.
- It was acknowledged by F. Moran that the DoHLG&H have done considerable work to develop a system that would work across the local authority sector.
- F. Moran clarified that it will take time to examine the impact of the foregoing issues on the city. From a rating perspective, figures are monitored on an ongoing basis and representations are made to Government through the Head of Finance Association on the need for the continuation of the waiver schemes. He further noted the need for ongoing financial supports to businesses on reopening.
- It was noted that there is a dependence on a particular part of the city for rates income and there is an imbalance across the city. There is a need for more strategic supports to be provided for suburban units to allow further development/initiatives as people may consider a blended approach to working. This would further support more residential living in the city.

In conclusion of this item, it was noted that all rate payers have been notified of the waiver scheme. For those not eligible, they have been notified of their ability to appeal this decision. On the issue of raising these issues with government, the impact is not fully known yet on businesses who are ineligible around capacity to discharge rating liability for 2021.

7. Debtors Report year ended 31st December 2020

Victor Leonov, Professional Accountant, Financial Accounting Unit, presented a report on the overall debtors at year end December 2020. This report noted that the opening balance at the start of the year across the main debtor categories was €347.8m reducing to €340.5m at year end 2020. This net decrease was mainly due to a combination of lower Government Debtors and higher Commercial Debtors.

The current bad debt provision of €142.5m was maintained against the outstanding debt as required in the accounting code of practice for Local Government accounting.

At the conclusion of the report, the following issues were addressed:

- On the issue of whether a local authority can levy interest on government debtors, it was clarified that this is not provided for in law but that the Department has provided significant funding upfront at the start of the year to support Dublin City Council's cashflow.
- A. Power highlighted additional funding provided of €34m to compensate for loss of income due to Covid around parking fees and other fees that was not realised in addition to other expenses incurred due to Covid.
- Housing Loans accounts – clarification was sought on the 599 accounts that are in arrears with a total value of €6.67m.

Agreed: It was agreed that a report would be sought from the Housing Department which would provide i) an analysis of the aged value of the housing loans arrears figure ii) Options available under the Mortgage to Rent Process 3) Details on the different types of loan schemes categories that were/are available.

8. Information on DCC Funding and Spend

Enda Currid, Accountant SEO, Management Accounting Unit gave a presentation on the development of a series of videos which focus on DCC funding and service spend for circulation on social media. This initiative has been a joint collaboration between Enda Currid, Management Accounting Unit and Rob Hughes in the Communications Unit.

The 5 video clips developed for consideration by the SPC members covered the following areas:

1. City Services 2021 – How are they paid for?
2. Commercial Rates – Who pays what?
3. Government Grants Funding
4. Goods and Services Funding
5. LPT Funding

At the conclusion of this item, the work of staff was acknowledged in the development of these videos. Following the showing of the videos, a discussion took place around possible changes to be incorporated into the final versions.

Agreed: The Chair requested that Committee Members were notified when these video will be streamed on social media.

9. Small Business Assistance Scheme for Covid (SBASC)

K. Quinn, Head of Finance, presented a report on the new scheme that was launched on 11th March 2021. Details of the criteria for businesses to be eligible to receive a payment of €4,000 for Quarter 1 of 2021 were set out in the report.

Members noted the following:

- This scheme's criteria exclude businesses who have been omitted from previous grant schemes as they do not operate from a rateable property but are working in sectors that have been hardest hit by Covid restrictions.

- Information was sought on funding schemes that may have been made available to a non rateable business owner – K. Quinn clarified that there may be LEO grants available if they are a new business. Other grants may be available for small B&Bs.

10. Audit Committee – agreed minutes of 3rd December 2020
Minutes noted

11. AOB
Community Wealth Building in Ayrshire and Preston - Cllr. A. Connaghan raised the issue of this initiative whereby public tenders are spilt into small lots so that smaller local businesses can apply.
Agreed: Cllr. Connaghan to send on further information to K. Quinn to examine this initiative.

Economic Development and Enterprise Team – A. Sweeney acknowledged the work of the entire team on the development of the EU Funding strategy document. Cllr. Lacey also acknowledged the significant input into this work by A. Sweeney himself.

Signed: **Councillor Séamas McGrattan** **Date: 25th March 2021**
Chairperson

Members Present
Cllr Séamas McGrattan (Chairperson)
Cllr. Daryl Barron
Cllr Mary Callaghan
Cllr Anthony Connaghan
Cllr. Daithí De Róiste
Cllr. Alison Gilliland
Cllr James Geoghegan
Cllr Dermot Lacey
Cllr. Darcy Lonergan
Cllr. Paddy McCartan
Cllr. Noeleen Reilly
Cllr. Nial Ring
Jack Daly, Docklands Business Forum
Eric Fleming, ICTU
Tara Lillywhite-Torpey, Dublin Chamber of Commerce
Professor Caroline McMullan, DCU
Philip O'Callaghan, PPN
Aidan Sweeney, IBEC

Officials
Kathy Quinn, Head of Finance
Antoinette Power, Head of Financial Accounting
Fintan Moran, Head of Management Accounting
Mary MacSweeney, Senior Executive Officer, Economic Development and LEO
Ciara O hAodha Senior Economic Development Officer, Economic Development & LEO
Victor Leonov, Professional Accounting, Financial Accounting Unit
Enda Currid, Accountant SEO, Management Accounting Unit
Anthony O'Donoghue, A/Senior Executive Officer, Rates Office
Fiona Murphy, Senior Staff Officer, Finance Secretariat
Mary Curran, PA to Head of Finance, Finance Secretariat
Brendan Dorney, IS Department

An Roinn Airgeadais
Department of Finance
Oifig an Aire
Office of the Minister

Our Ref: FIN-MO-859-2021

9 March, 2021

Cllr Séamas McGrattan
Chairperson
Finance Strategic Policy Committee
Dublin City Council
City Hall
Dublin 2

Dear Chairperson

I wish to acknowledge receipt of your recent correspondence concerning reform of the Local Property Tax (LPT).

As you are probably aware, the Programme for Government "Our Shared Future" includes a number of commitments in relation to LPT, specifically –

a. to bring forward legislation for the LPT on the basis of fairness and that most homeowners will face no increase.

b. to bring new homes, which are currently exempt from the LPT, into the taxation system, and that

c. all money collected locally will be retained within the county. This is to be done on the basis that those counties with a lower LPT base are adjusted via an annual national equalisation fund paid from the Exchequer.

I am currently examining options for the reform of the tax in the light of the 2019 Interdepartmental LPT Review Report, the views of the Budgetary Oversight Committee on that report and the above Programme for Government commitments. I hope to be in a position to bring proposals for amending legislation to Government soon. You will appreciate that it would not be appropriate to comment further at this stage before the Government has had an opportunity to consider the matter fully.

As your correspondence touches on issues to do with local government funding I am copying your letter to my colleagues, Minister for Housing, Local Government and Heritage, Darragh O'Brien TD, and Minister for Public Expenditure and Reform, Michael McGrath TD.

I hope the foregoing is of assistance.

Yours sincerely

Paschal Donohoe T.D.
Minister for Finance

The Minister is a Designated Public Official under the Regulation of Lobbying Act, 2015 (details available on www.lobbying.ie).

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Meamram
Memo

Comhairle Cathrach Bhaile Átha Cliath
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Darach O'Connor
Executive Manager
Housing & Community Services Department
Floor 3, Block 1
Civic Offices

20th April 2021

Re: Housing Loans – Arrears

Dear Darach,

At the Finance SPC Meeting held on 25th March 2021, the issue of the arrears on Housing Loans was raised during the discussion on the year-end Debtor Report. It was agreed that a report from the Housing Department would be sought on the following issues:

i) An analysis of the aged value of the housing loans arrears figure
ii) Options available under the Mortgage to Rent Process
iii) Details on the different types of loan scheme categories that were/are available.

The next meeting is scheduled for Thursday 20th May 2021 and I would appreciate if you could arrange a report to be prepared on these issues. The deadline for submission of reports is Monday 10th May 2021.

I look forward to hearing from you.

Yours sincerely,

Kathy Quinn
Head of Finance
With responsibility for ICT

Report to the Finance Strategic Policy Committee

Analysis – Housing Loan Accounts in Arrears

As at 31st December, 2020 the total of the loan book was €251,315,246.47 with 2301 Loans Accounts (433 Shared Ownership, 1,868 Annuity). The total amount of arrears as at 31st December, 2020 was €7,730,739.58. 599 accounts (26%) of all loans in arrears.

History Of Arrears	
December 2018	€ 9,796,088.58
December 2019	€ 7,991,831.26
December 2020	€ 7,730,739.58
Amount arrears reduced by in 3 year period	**€ 2,065,349.00**

Breakdown of Arrears as at 31st December, 2020: -

Arrears	***No. of Accounts in Arrears***	***Amount of Arrears***
Less than 1 mth	111	€ 40,689.63
1 mth but less than 2 mths	72	€ 69,742.76
2 mths but less than 3 mths	31	€ 56,084.30
3 mths but less than 6 mths	44	€ 150,094.60
6 mths but less than 12 mths	76	€ 514,475.11
Over 12 mths	265	€ 6,899,653.18
Total	***599***	***€7,730,739.58***

Medium to long-term arrears continues to be a challenge. 64% of impaired accounts are more than 3 months in arrears and almost half are over 12 months in arrears.

Based on the above figures 72% of borrowers are engaging under the local authority Mortgage Arrears Resolution Process (MARP); 9% are not engaging and 19% are being reviewed, assessed and ICB checked with regard to their Standard Financial Statements (a requirement of the MARP).

Based on the above figures the majority of borrowers are working (n=437), but a sizeable minority is either unemployed (n= 159 29 of which both borrowers are unemployed) or separated (n =51). The balance are self-employed (n=11).

We are continuing to restructure Shared Ownership Loans. Restructuring of Shared Ownership was introduced by the Department of Housing, Planning, Community and Local Government in 2016, this replaced the transfer to 100% mortgage scheme, which previously existed. The new process is designed to make it easier for the customer to transfer from a shared ownership to full annuity loan.

15 accounts with a total arrears value of €161,902.99 were fully transferred from Shared Ownership to full Annuity Loan in 2020.

Mortgage to Rent

The Local Authority Mortgage to Rent (LAMTR) scheme introduced nationally in 2014 is a Government initiative to assist homeowners who have mortgages with a local authority and are at risk of losing their homes due to mortgage arrears. The LAMTR scheme is one of the possible resolutions for people who have been through the Mortgage Arrears Resolution Process (MARP) with a local authority and whose mortgage has been determined unsustainable. The LAMTR scheme allows the local authority to purchase their borrowers' property with the household, where appropriate, remaining in the property as local authority tenants and paying a differential rent to the local authority.

There is the option to buy back the property after a period of 5 years if the borrower/s can raise the finance.

9 accounts fully completed the MTR process in 2020 with currently 7 active cases which are expected to complete in 2021.

302 accounts have completed the MTR process since its introduction in 2014.

Covid-19

The ongoing pandemic has impacted the collection of arrears and has delayed potential court proceedings.

Covid-19 Mortgage Payment Breaks

On 10th April, 2020 the Minister for Housing, Planning and Local Government, introduced support in the form of a Mortgage Payment Break, for local authority borrowers who were experiencing financial distress arising out of the Covid-19 emergency. The monthly repayment following the break will increase in order to facilitate the repayment of the loan over the remainder of the existing term of the loan. No additional interest accrues to the borrowers account during the period of the payment break.

The mortgage payment break is also open to local authority borrowers who are currently in arrears and further impacted by Covid-19, however the borrower must be engaging with their local authority in relation to their arrears and complying with relevant conditions set by the authority.

On 26th June, 2020 an additional Mortgage Payment Break was announced; up to a maximum of 6 months – Circular 18/2020 refers. On 28th September, 2020 an additional Mortgage Payment Break was announced; up to a maximum of 9 months – Circular 29/2020 refers. On 21st January, 2021 an additional Mortgage Payment Break was announced; up to a maximum of 12 months – Circular 03/2021 refers. The closing date for receipt of first time applicants applying for their first mortgage payment break was extended to 31st March, 2021. All mortgage payment breaks must be completed by 31st March, 2022.

As at 31st March, 2021

3 Month MPB	6 Month MPB	9 Month MPB	12 Month MPB
225 of which 5 are still active	**118** of which 6 are still active	**62** of which 7 are still active	**31** of which 11 are still active

25 of the 31 who have availed of the maximum 12 month MPB have sought further assistance as their employment continues to be impacted by the ongoing restrictions.

Types Of Loans Available

The Rebuilding Ireland Home Loan was introduced to replace the previous House Purchase Annuity Loan in February 2018. It is the only Local Authority Loan currently available and is a nationwide scheme administered by all Local Authorities on behalf of the Government, who set out the terms, conditions and criteria. The loan is available to applicants who satisfy the below required criteria and whose income does not exceed €50,000 for a single applicant and €75,000 for joint applicants.

- ***Be first time buyers. Neither applicant can be previous owner or current owner of property***
- ***Be aged between 18 and 70 years***
- ***Be in continuous employment (this can be self-employed) for at least 2 years in the case of the primary earner and in continuous employment for 1 year in the case of the second applicant (if second applicant in employed)***
- ***Be of good standing with a satisfactory credit record (a credit check will be carried out with Irish Credit Bureau and Credit Central Register***
- ***Have an indefinite right to remain in Ireland either through nationality or refugee status***
- ***Be able to provide proof of insufficient offers of finance from two financial institutions (Bank or Building Society only)***
- ***Have minimum deposit of 10% of the purchase price of the property***
- ***Provide proof of marital status (if divorced, legal documents must be submitted)***
- ***If you are renting, you must have a clear rent account for 6 months prior to applying for the loan and your rent assessment must be up-to-date***

The Shared Ownership Loan scheme ceased in 2011 although there are still approximately 400 live Shared Ownership loans with Dublin City Council.

Teresa Conlon,
Administrative Officer.

30th April 2021

Comhairle Cathrach
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Dublin City Council

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Report to the Finance Strategic Policy Committee

Cash in the community

Background

The Chair of Dublin City Council's Finance SPC received correspondence from the Financial Services Union regarding the proposed closure of retail bank branches by Bank of Ireland. There are 88 branches scheduled to be closed in the Republic of Ireland and a further 15 in Northern Ireland. The correspondence outlined the FSU's position, expressed through a campaign to stop branch closures.

Remit of Finance SPC

The operation of retail banks is not an issue within the remit of the Finance SPC. The decisions taken by another organisation may impact on Dublin however that does not necessarily mean that the Finance SPC has a role in addressing the issue. And so while the operation of retail banking is not within the SPC remit, the SPC terms of reference clearly call out that strengthening communities is an SPC priority:

'Community Development

The Finance SPC will examine the feasibility of the introduction of participatory budgeting. Issues such as the involvement of all groups, community and business, the statutory role of the elected council, the engagement benefits that can be achieved and the nature of impact on the elected democratic structures.

This committee will, as a work programme item, consider the feasibility of the introduction of participatory budgeting on a pilot basis.

The Finance SPC will progress the development of social based initiatives in the procurement framework so as to maximise the potential opportunities for local employment and trade.

This committee will, as a work programme item, examine opportunities to implement social based procurement related initiatives.

The Finance SPC recognises the scarcity of capital resources available to DCC. The SPC will examine the feasibility of using crowdfunding as a funding source for certain DCC capital projects so as to maximise investment in local facilities and services. Focus will also be given to aligning crowd funded projects to facilities operated on a social enterprise basis.

This committee will, as a work programme item, examine the feasibility of using crowdfunding for DCC capital projects opportunities and aligning crowd funded projects to social enterprise opportunities.'

Effect on local Communities

As such an issue for consideration by the SPC is the trend in reduced physical bank branches which have been shown by research in many countries to have some negative impacts for customers local to the closed premises, notwithstanding that the commercial decision to close branches is based on the financial parameters of the specific bank.

These impacts can include a reduction in cash circulating in the local economy as visits to banks are less. The volume of circulating cash can influence the spending patterns of specific consumers who do not use credit or debit cards. Less circulating cash then can result in less trade for local businesses. There may be charges for the use of ATMs which restrict cash withdrawals for many customers. There may be less loans offered to local commercial customers who struggle to maintain a business engagement with the bank branch remaining open, which is not local to them. There may be a displacement effect whereby those who can, travel to the bank branch remaining open, and transact business at that location. This shift of trade compounds the declining activity in the local economy where the bank no longer operates.

Community access to cash

An initiative is underway in the UK to enable communities access cash at different pop up locations. Further information is available at https://communityaccesstocashpilots.org/. The pilot project has been commenced by the 9 major UK banks to develop initiatives that would address towns / suburbs where bank branches have closed. For clarity, this pilot is not based on all of the issues raised in the Financial Services Union correspondence point of view, but is based on issues to support the local community and economy. For example one initiative requires bank staff to operate a bank clinic at a room identified locally and rented (by the community access to cash project) with different banks having staff available for consultation in the room on different days. Another initiative is to increase the numbers of ATMS, operating without charge, in each of the pilot areas.

Consideration by SPC

The SPC members are asked to consider if there is agreement to approaching the banking sector to propose the establishment of a project in Ireland, to include Dublin, to increase community access to cash.

Kathy Quinn
Head of Finance
With responsibility for ICT

6th May 2021

Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

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Report to the Finance Strategic Policy Committee

Community Wealth Building

1.0 Background

At the March meeting of the Finance SPC, it was agreed that the subject of *Community Wealth Building* would be reviewed and a report for information purposes brought to the next meeting. Since then, the Finance SPC Chairperson and the Head of Finance have reviewed material (articles, websites, publications etc.) available on this subject. The purpose of this report is to provide Finance SPC members with a broad understanding of the topic and is not intended to be a definitive CWB account. The report structure is detailed below and for clarity examples of CWB in the US, Europe and UK are just one case highlighted for information, with many more in operation in each jurisdiction.

Report Structure

- What is Community Wealth Building
- Components of Community Wealth Building
- Place
- The role of Anchor Institutions
- Community Wealth Building in the US: Cleveland
- Community Wealth Building in Europe: Mondragon
- Community Wealth Building in the UK: Preston
- Next Steps

2.0 What is Community Wealth Building?

Community Wealth Building (CWB) is an umbrella term for initiatives which aim to increase access to opportunities to a broader community base. CWB is growing in use as an effective approach to local economic development. Worldwide, there has been an acceleration in the movement of capital to global investors who are often remote to the local economy, from local businesses. This trend is thought to have contributed to lower paid jobs through stringent cost reduction programmes, with entities capable of moving capital elsewhere based on global investment decisions. The shift of capital in society has resulted in a wider range between those holding large stocks of capital and those not having capital. This pattern contributes to a reduction in economic opportunities available locally. CWB seeks to minimise the level of local capital extracted from the local community through targeted opportunities for local suppliers / businesses. In this way, greater values of capital, wealth and income are circulated locally, thereby building the local economy and ultimately communities.

The Democratic Collaborative (TDC) a US based CWB advocate organisation, defines it as *'a systems approach to economic development that creates an inclusive, sustainable economy built on locally rooted and broadly held ownership. This framework for development calls for developing place-based assets of many kinds, working collaboratively, tapping large sources of demand, and fostering economic institutions and ecosystems of support for enterprises rooted in community. The aim is to create a new system that enables inclusive enterprises and communities to thrive and helps families increase economic security.'*

3. Components of Community Wealth Building

There are several components of CWB, with some or all of these implemented in the different places (Cities, Regions etc.) implementing a CWB strategy. The Centre for Local Economic Strategies (CLES) a UK based CWB advocate organisation states these as:

A. Broad based ownership of the economy

CWB seeks to develop a more diverse blend of ownership models: returning more economic power to local people and institutions. This approach is taken on the belief that small enterprises, community organisations, cooperatives and forms of municipal ownership are more economically generative for the local economy, than large or public limited companies.

B. Local financial capacity working for the local economy

CWB is about taking advantage of local wealth as against targeting international capital. The concept is to prioritise local economic development so that investment is channelled to local communities while still delivering a steady financial return for investors.

C. Fair employment

The employment policies taken by anchor institutions, which typically are large employers can significantly positively influenced outcomes for local people. CWB employment policy measures include paying the living rather than minimum wage, progression routes for staff and targeted recruitment from disadvantaged areas.

D. Targeted procurement

CWB seeks to use procurement to build and strengthen local supply chains. This involves a focus on SMEs, employee owned businesses, social enterprises, cooperatives and other forms of community business. These types of businesses have been shown to be more likely to support local employment and have a greater propensity to retain wealth locally.

E. Socially productive use of land and property

A large proportion of local assets are typically owned by Anchor institutions. CWB looks to broaden the use and exploitation of these assets so that the community benefits from any financial gain. This is in addition to extended community use of anchor institution assets. All of these increase~~s~~ a greater sense of citizen ownership of place.

CWB is considered to bring local benefits but also benefits at a national and international level. These benefits are environmental (shortened supply chains), social (social return maximised through CWB economic activity) and productivity (reduced unemployment)

4. Place

CWB seeks to maximise the use of local assets / facilities / opportunities for local residents and businesses. It involves a focus and priority to the locality in contrast with the increasing trend of globalisation. This approach underlines an importance given to

the lived economy of placed based jobs, lands and institutions. A strong connection to the locality is a key driver for CWB. Across the world, place can be a greater indicator of life expectancy than genetic factors. By focusing on place, all those associated with a city or a region, whether disadvantaged or advantaged, are included. The focus of CWB is to develop local assets, not to increase or further develop social services. CWB seeks to identify opportunities in assets within a community (anchor institutions as an example) to build a broad based local economy that increases income and wealth share. People who possess skills, savings, or some degree of ownership in a business are seen to be more resilient to shocks such as unemployment.

5. The role of Anchor Institutions

Anchor institutions are public sector organisations that are placed based. Examples of anchor institutions are local authorities, local hospitals, and local universities. Unlike private sector entities, which may leave a local economy because of commercial considerations, anchor institutions are rooted to their local economy. The importance of these organisations to local economies has increased in recent years as trends have accelerated around the decline of manufacturing, the rise of services and increasing globalisation. Anchor institutions are likely to be significant employers within their locality/region. CWB seeks to divert some of the economic opportunities arising through anchor institutions to the local economy. Anchor institutions are sometimes termed Eds and Meds reflecting the healthcare and education based entities. Typically Local Government acts as the leader / catalyst to open the discussion on what anchor institutions can do for the local community through economic measures.

Other examples of anchor institutions that could become involved with CWB are cultural institutions (such as museums) locally-based charities and faith-based institutions (such as churches).

6. Community Wealth Building in the US: Cleveland

Cleveland, a former manufacturing centre, in recent years has adopted an asset-based approach to development, concentrating on its people, institutions, and geography. The City has partnered with the local anchors (university, hospital, and community organisations) to establish the Greater University Circle Initiative (GUCI). This is a place-based urban revitalization strategy aimed at economic inclusion, community engagement, physical development, and institutional partnerships. GUCI looks to improving the community through access by marginalised residents to the opportunities available through anchor institutions. Cleveland has provided loans, remediated brownfield lands and assisted GUCI in securing funding. Cleveland City has been central to creating the worker-owned Evergreen Cooperatives, a key component of GUCI's buy local efforts. The Evergreen Cooperatives include Green City Growers and the Evergreen Cooperative Laundry.

7. Community Wealth Building in Europe: Mondragon

Mondragon is a cooperative business project established in 1956, named after the Spanish town in the Basque region in which it was formed. The aims of Mondragon are human promotion being employment, following from that, the personal and professional advancement of those it employs and social development being community as a priority. The core values of Mondragon are corporate social responsibility, inter-cooperation, innovation, education and social transformation.

Mondragon has four divisions – Finance, Industry, Retail and Knowledge. The most recent data points to over 81,000 employees, 96 separate cooperatives and is the tenth largest organisation in Spain, the largest in the Basque region. Mondragon has been described as a series of diverse organisations sharing common values working together to achieve success and social impact. Those involved with Mondragon share a strong commitment to social sustainability through broadly distributed wealth and social benefits. The Basque region has the lowest unemployment rate in Spain, although undoubtedly that cannot be attributed to Mondragon alone. Mondragon was specifically created to meet the needs within the community, through a cooperative community response. An aspect of Mondragon is the high levels of equality among the cooperative members.

8. Community Wealth Building in the UK: Preston

Preston City Council adopted CWB in 2012, through its role as a large employer, a major purchaser of goods and services and critically as a leader of place. The work undertaken in Preston is known as 'The Preston Model' and is considered to have successfully promoted inclusive growth of the local economy. Preston is regarded as a pioneering authority in the UK for CWB. Preston has secured tangible achievements to date having increased the proportion of its own procurement spend in the local economy and encouraged other anchor institutions to follow. In tandem, Preston has actively encouraged suppliers to add to the 'social value' of their contracts by providing locally targeted training and employment opportunities. Preston City Council became the first local authority in the north of England to be accredited by the Real Living Wage Foundation, and encouraged other anchors to follow.

So as to mainstream CWB, Preston have integrated the extension of local employment, apprenticeship and training opportunities within its own planning process. It has also supported greater diversity of ownership in the local economy by investing directly in key assets in the centre of the city, bringing services back in-house and promoting worker cooperatives and community businesses. Note that the direct investment occurred through the management of the staff pension fund. In the UK local authorities hold and manage staff pension funds and thus investment decisions are a key issue. DCC does not hold a staff pension fund as the local authority accounting requirements that DCC must follow state that pension income (i.e. staff contributions) are held in the day-to-day (revenue) budget to be applied to pension costs. On a broader financial perspective Preston has encouraged more financial wealth to be retained locally by contributing to the establishment of a regional development bank.

9. Next Steps

There is a considerable amount of material available relating to CWB. It may be helpful for SPC members to receive a presentation on the subject to become more informed. If this is agreeable, arrangements will be made to have this for the next meeting.

<u>Kathy Quinn</u>
Head of Finance
With responsibility for ICT

6th May 2021

Comhairle Cathrach Bhaile Átha Cliath
Dublin City Council

Oifis an Cheannasaí Airgeadais, An Roinn Airgeadais
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Report to the Finance Strategic Policy Committee

Video Series Stats

Background
The development of a series of videos providing financial information relating to Dublin City Council has been under consideration by the Finance SPC at previous meetings (Reports Nos. 05-2021 and 17-2020 refer). The content of the videos was discussed at the March 2021 SPC meeting.

Information release
The videos were released on a staggered basis as follows:

- Tuesday 30th March – Overall Funding
- Tuesday 6th April - Rates
- Monday 12th April – Grants & Subsidies
- Monday 19th April – Goods & Services
- Monday 26th April - LPT

Activity
The numbers of impressions, media views and total engagements for Twitter and LinkedIn is shown, with greater engagement through Twitter

Twitter	**Video 1 General Finance**	**Video 2 Commercial Rates**	**Video 3 Government Grants**	**Video 4 Goods & Services**	**Video 5 LPT**	**Total**
Impressions (How many times it showed on someone's screen)	26,612	8853	6045	12297	4650	**58,457**
Media Views	2997	990	773	1346	592	**6698**
Total Engagements	266	73	77	118	45	**579**
LinkedIn	**Video 1 General Finance**	**Video 2 Commercial Rates**	**Video 3 Government Grants**	**Video 4 Goods & Services**	**Video 5 LPT**	**Total**
Impressions (How many times it showed on someone's screen)	2454	724	903	744	653	**5478**
Media Views	1035	197	388	251	151	**2022**
Total Engagements	30	10	6	17	3	**66**

Next Steps

Further videos will be considered as part of the LPT consultation process later in 2021.

Kathy Quinn
Head of Finance
With responsibility for ICT

11th May 2021

Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

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Report to the Finance Strategic Policy Committee

Revised Standing Orders – Amendments to SPCs

Background

The Standing Orders Working Group at the request of the Elected Members was asked to review the Council standing orders regarding the existing procedures relating to the management of business on the Council agenda. At the May 2021 City Council Meeting, the new standing orders were adopted by the elected members.

Amendments

Among a number of changes made to the standing orders, the following amendments were included with regard to the existing operating procedures for Strategic Policy Committees:

Duration of the Meeting
The length of the Finance SPC will be 2 hours with an option to extend it for another 30 minutes if the SPC members are in agreement, if this is carried by a vote 15 minutes before the conclusion of the standard time.

This would mean that a 2 hour would run from 2.30pm – 4.30pm, with a vote to be taken no later than 4.15pm that could extend the meeting to 5pm.

Time Allocated to Agenda Items
The Chair of the Committee will determine the maximum time for each item on the agenda, limit the number of presentations per meeting and limit the time allocated for each presentation.

Kathy Quinn
Head of Finance
With responsibility for ICT

13th May 2021