Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

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

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To Each Member of the Finance Strategic Policy Committee

Agenda for Meeting to be held in the Council Chamber, City Hall on Thursday June 16th at 3.00pm

Items No.	Topic	Reports/Presentations
1	Minutes of meeting – 7th April 2016	Attached
2	Matters Arising: a) Update on Pyrite b) WTE Community Gain Fund c) Ringsend Toll Bridge DAC	 Report 18-2016 Report 21-2016 Report 16-2016
3	Hotel Bed Tax - Deferred from meeting held on 7th April 2016 Consideration of Hotel Bed Tax by Galway City Council – update	Report 08-2016 Report 14-2016
4	City Centre Trading Environment - Presentation from DublinTown	Presentation to follow Report 20-2016
5	Annual Financial Statement 2015 including Debtor Report	Report 19-2016
6	Development Contributions Scheme report	Report 15-2016
7	Work programme 2016 / 2017	Report 17-2016
8	Referral of Emergency Motion 2 – Irish Water Rates	Motion attached
9	Lobbying Act – Transparency Code & Requirements - Note of meeting with the BID Company	Note attached
10	Audit Committee – agreed minutes of 11th February 2016	Minutes Attached
11	A.O.B.	

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

Finance Strategic Policy Committee

Minutes of Meeting Held On 7th April 2016

1. Minutes of the meeting held on 21st January 2016

Minutes agreed. Minutes proposed by Cllr. P. Bourke and seconded by Cllr. N. Reilly.

2. Matters arising

Pyrite Works

Copy correspondence to Homebond and Premier Guarantee was circulated to members. City Architects are in continuing contact with Premier Guarantee regarding 17 specific properties covered by their guarantee. Referencing the cases involving BRL properties, K. Quinn noted that this matter is ongoing.

In discussions regarding the correspondence to the two companies, K. Quinn clarified that the response from Premier Guarantee was by email and was directly linked to their ongoing dealings with the City Architects Department on this matter.

Agreed: It was agreed that this item will be kept on the agenda for a future meeting.

Dublin Docklands Development Authority (DDDA)

Copy correspondence from Paul Clegg, DDDA, regarding the availability of the 2014 Accounts was circulated. In addition, a report was circulated from the Chief Executive providing an update on the dissolution of the authority and subsequent transfer of all functions, assets, risks, records and liabilities to the City Council.

Agreed: It was agreed that the 2014 Accounts would be circulated to members once they have been presented to the Oireachtas and will be included on the agenda for 16th June 2016 SPC meeting.

Agreed: In discussions on the future plans for the transferred assets including the Jeanie Johnston, it was agreed that the Financial Feasibility Study carried out by the City Council would be brought to the June 2016 SPC meeting.

Temple Bar Cultural Trust

Update report on property disposals was circulated and the contents were noted.

Report on the Acquisitions Committee

Cllr. McGinley noted that correspondence issued to the Chief Executive on this request for the establishment of an Acquisitions Committee. The Chief Executive meet with the Chair Cllr. McGinley and K. Quinn and has reported that all acquisitions will be listed in the monthly management report from the Planning and Development Department which issues to the monthly City Council Meetings.

3. Hotel Bed Tax

A report was circulated to the members and at the request of Cllr. M Freehill, who was unable to attend the meeting, it was agreed that this item would be deferred for a full discussion until the June 2016 meeting.

Agreed: Regarding the issue of Galway City Council's examination of the introduction of a hotel bed tax it was noted that a report on this research would be provided to the next meeting.

On the matter of the introduction of a hotel bed tax, it was noted that this raises the issue of the appropriateness of levying a hotel bed tax or other charges in local authority areas. In addition, the broader issue of reforming local government funding and linking it into the greater political mechanism for funding was raised. It was considered that this is an issue that could be raised with the incoming government and addressing the powers to enable the levying of such charges and the ability to collect.

Around the point of enabling legislation to introduce such a tax, it was queried whether there was a point in pursuing such a charge when the powers to levy/collect are not there.

It was noted that a group has been established, under the auspices of Failte Ireland, to examine the cost of marketing Dublin as a tourism centre. A bed tax was one of the funding mechanisms under consideration. As this group is an umbrella group representing all categories of business involved with tourism, it was considered that any proposed contribution to a marketing fund, would be applicable across all businesses thus reducing the cost to everyone. G. Quin suggested that it might be pertinent to ask Failte Ireland to provide some further information on these proposals and progress.

The matter of the subsidisation by Dublin City Council of the rest of the country would be considered in a report to the next meeting. Issues around the local property tax, ambulance service, no rates being paid on government properties based in Dublin, and the volume of tourism were pointed out. Reference was also made around the remarkable work carried by Dublin City Council for the 1916 Commemorations and the allocation to each local authority of €30,000 to fund these commemorations. It was clarified that Dublin City Council allocated €700,000 in the 2016 Revenue Budget.

Agreed: A report would be prepared for the next meeting on this matter.
Agreed: It was agreed that this item would be returned to at the next SPC meeting.
Agreed: It was agreed that acknowledgement of the enormous work carried out by Dublin City Council during the Commemoration period should be noted.

4. East Link Bridge Report – Ringsend Toll Bridge Designated Activity Company

A report from Declan Wallace, Environment & Transportation Department was circulated to the members and the contents were noted.
Agreed: A further report would be requested detailing the application of funds arising from the bridge. In particular, the report would include the level of details contained in the report presented to the South East Area Committee meeting.
Agreed: An additional report would be sought providing details of the funds available for projects and the running costs of the company. Analysis of the net income, the overall maintenance/upgrading programme and proposed timeline for any works to be carried out would be sought.
Agreed: A request to be made for a progress report on the company to the Finance SPC on an annual basis.

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5. Rates Debtors 2015

Fintan Moran, Head of Management Accounting, presented a report to members detailing the commercial rates arrears at the end of 2016 and the report included details on the following:

- 2015 Local Authority Sector target improvement for rates collection
- Background on financial adjustment and impact on commercial rates

- Level of arrears during the period 2010 - 2015
- Rates Collection Percentage Y2012 – Y2015
- Age Profile of the 2015 arrears
- Analysis of the 2015 arrears accounts
- Analysis of the 2015 arrears by rate description category
- 2015 arrears schedule status
- 2015 arrears by electoral area
- Valuation Tribunal appeals

The report noted the following:

The establishment of a local government debt management project group in the 1st Quarter of 2015 in response to a government review of the collection of all public sector debt. It was noted that arrears of €400m in commercial rates were outstanding for the local authority sector. Targeted reductions were assigned in banded groups across percentage ranges of 10% - 21%. Dublin City Council was set a 10% reduction requiring arrears to be reduced from €62.6m to €56.3m.

Movement in Dublin City Council's Annual Rate on Valuation (ARV) for the period 2010 – 2016 was provided with comparative figures given for the Consumer Price Index (CPI) movement over the same period. The cumulative value of the ARV over the period is estimated at €105.5m.

Figures were provided for the Commercial Rates income over the period 2012-2016. It was noted that an income reduction of €6m in 2015 was due primarily to the financial loss resulting from reductions in commercial valuations on appeals to the Valuation Office and Valuation Tribunal following the revaluation of the city effective from 1st January 2014.

It was noted that the economic downturn and global financial crisis was correlated to the increase in arrears up to 2012 and figures were provided. A reduction in arrears from €76.3m in 2012 to €51.5m in 2015 was primarily due to an improvement in the annual percentage collection, a focused debt management approach, an improvement in economic factors and the conclusion of liquidation/receivership cases.

Figures were provided showing rates collection percentages over the period 2012-2015 ranging from 80% to 86%. In addition comparative figures were shown for other City and County Councils.

Analysis of the age profile of the 2015 arrears figure of €51.5m was provided with further analysis given by charge range. Figures for the 2015 arrears by Rate Description category were given.

Further analysis was given on the status of the legal process of arrears cases, 2015 arrears percentages by electoral area, and the ongoing process of the Valuation Tribunal Appeals. In conclusion of the presentation, F. Moran noted that the opening arrears balance of €51.5m has reduced to €39.6m at 26/3/16.

The following queries/comments were raised by members:

- Acknowledgement of a comprehensive report and the excellent work carried out by the rates collection team;
- Reference was made again to the issue of Dublin City Council being seen to subsidise the other local authorities and the lack of recognition of this effort;
- Future central government funding for Irish Water's rates exemption;

- Acknowledgement of the profit margins of small businesses in comparison to larger corporations;
- Queries were raised around the collection rates and particular electoral areas;
- Reference was made to the lack of liability by government properties to pay rates and the inclusion of the figure lost should be stated in all reports similar to this debtor report.
- Reliance on Dublin's business community supporting the City Council's finances in comparison with other local authorities ;
- Communication of the services provided for the rates paid by the business community.
- Figures were sought on analysis of the €11m reduction in Local Property Tax liability;
- Impact of the improving economic factors in relation to the reduction in the debtor figures as against debt management arrangements;
- Clarity was sought around the revision of billing categories provided in the report;
- Consideration of the possibility of introducing an SME rates relief scheme for certain accounts below €5,000 which other Councils have provided;
- It was noted that Dublin City Council has the 3rd highest collection for commercial rates and there is more that can be done to improve this rate as well as administration savings;
- Reference was made to comparative revenue collection levels in both the UK and the Revenue Commissioners;
- Dublin City Council's gross rates bill at €346million is the largest amount nationally and during the economic boom would exceed 90% collection rates.
- It was noted that 30% of the arrears figure is caught up in the legal system through decrees obtained/warrants issued or under investigation by the Law Department. The percentage of these arrears collectable on foot of judgements issued was queried and was queried whether it is possible to simplify the administration of this element of the collection.

On clarification of this points raised, K. Quinn noted that the increasing percentage which rates plays as a part of Dublin City' Council's finances is to some degree misleading. As is noted in the report, rates have not increased since 2010 and following the revaluation completed in 2013/2014 caused in many cases a decrease in bills. So the percentage increase reflects the fact that there is an overall reduction in central government financing rather than an increase in charges levied.

K. Quinn further referenced her membership on the Debt Management Group. Various options are being explored but the current legislation is very old and places significant administrative onus on local authorities. If such legislation was amended, it would significantly improve collections rates. In comparison the Revenue Commissioners have very direct legislation available to them enabling them to improve collections. Regarding legislation around the court process, Dublin City Council gave resources to the government to review this legislation but unfortunately the proposed legislation was not supported.

It was further noted that debt reporting arrangements in comparison to the Revenue Commissioners was not possible but have now been amended and improvements will be seen this year. The Group are currently working on a national process to improve collections. In response to the issue of an SME Rates Relief Scheme, K. Quinn noted that the categories covered by current schemes are domestic, agricultural and commercial and the benefits accruing to businesses from them are very few with significant eligibility criteria to be met.

It was noted that the current option of varying the rates bills is available to local authorities by amending the vacancy rate. Dublin City Council's vacancy rate is set at 50%.

Agreed: A sectoral business case around the issue of a review of the rating legislation is being prepared and when available it will be circulated to members and consideration possibly given to the circulation of this report to the national political spokespersons.

Agreed: it was agreed that figures should be included in this report on the percentage of rates payers constituted in an electoral area showing the breakdown of percentage collections in conjunction with the arrears figures provided.

6. Community Gain Fund for the Dublin Waste to Energy Project

A summary report from K. Quinn with detailed reports from the Environment and Transportation Department dated August 2015 and January 2016 were circulated to the members. It was confirmed that the community gain fund stands at €10.38m. Notwithstanding objections to the project, Cllr. McCartan would urge community groups to apply for monies from the fund. Cllr. Lacey voiced his objections to this project being imposed on the local communities and the many protestations raised by city councillors and would second the views made by Cllr. McCartan. He asked that a clear summary of the calculation of the fund would be communicated to residents in the next local newsletter that issues.
Agreed: it was agreed that this request for an update on the fund and its calculation would be communicated to the relevant body.

Cllr. Ring expressed his disappointment that the fund did not provide any allocations to education projects in the area. He drew comparisons to the funds available through the Dublin Docklands fund.
Agreed: it was agreed that correspondence would issue to the Community Fund Committee expressing the views of the members on the lack of education/training opportunities and housing fund allocations for the local community.

7. BIDs report year ended 31st December 2015

A report from F. Moran, Head of Management Accounting, detailing the BID debtor at the 31st December 2015 was circulated to the members. The report was noted.

The significant work of Richard Guiney and his team was commended. In particular acknowledgement was given for the work of DublinTown during the 1916 commemorations.
Agreed: A letter would issue to DublinTown acknowledging their work during these commemorations.

8. Finance Strategic Policy Committee – Title Change

Correspondence from K. Quinn setting out the background to the title change of the Committee was circulated to members.
Agreed: Future agenda items - members to consider agenda items for inclusion on the Committee's work programme over the next 18 months.
Agreed: Regarding the filling of the vacancy following the resignation of David Brennan, DCBA, it was agreed that a city centre business representation should be considered as a replacement. A report will issue to the next meeting.

9. Audit Committee – agreed minutes of 10th December 2015

Minutes noted. It was noted that following representation to the Audit Committee members to reconsider their decision around the circulation of reports, it was noted that the Committee are satisfied to continue with the current arrangement.

10. A.O.B.

<u>BRL – funding amounts outstanding</u>

Cllr. N. Reilly queried the status of outstanding claims payable from the DoEC&LG. K. Quinn provided an update of the position noting that €1.2m was payable at year end 2015 however the overall total claim outstanding is €16.8m.

<u>Agreed</u>: It was agreed that further correspondence should issue to the Secretary General of DoEC&LG.

Signed: **<u>Councillor Ruairi McGinley</u>** **<u>Date: 7th April 2016</u>**
Chairperson

<u>Attendance:</u>

<u>Members</u>
Councillor Ruairi McGinley (Chairperson)
Councillor Paddy Bourke
Councillor Dermot Lacey
Councillor Paddy McCartan
Councillor Micheál MacDonncha
Councillor Noeleen Reilly
Councillor Nial Ring
Joanna Piechota, Irish Polish Society
Gina Quin, Dublin Chamber of Commerce
Aidan Sweeney, IBEC

<u>Officials</u>
Kathy Quinn, Head of Finance
Fintan Moran, Head of Management Accounting
Brendan O'Brien, Head of Technical Services, Environment and Transportation Dept.
Fiona Murphy, Senior Staff Officer, Finance Secretariat
Fiona Collins, A/Assistant Staff Officer, Finance Secretariat
Lisa Nolan, Staff Officer (Secretarial), Finance Secretariat

<u>Apologies</u>
Councillor Brendan Carr
Councillor Hazel De Nortúin
Councillor Larry O'Toole
Councillor Tom Brabazon
Councillor Ray McAdam
Eric Fleming, ICTU
Dr. Caroline McMullan, DCU

Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

Rannóg um Innealtóireacht Foirgníochta, Rannóg Ailtire na Cathrach
Oifigí na Cathrach, An Ché Adhmaid, Baile Átha Cliath 8

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Report to the Finance Strategic Policy Committee
Pyrite Update within Dublin City Council Housing Projects

The following is a summary of the Pyrite situation as it affects Dublin City Council housing projects. This does not include any reference to private housing in the DCC area as DCC has no role in such dwellings. All prices exclude VAT.

Avila Park phase 4 community centre
Community centre for Travellers in Finglas. Built c 2005 by Tara Construction. 6 houses built at same time already remediated in 2012 at a cost of €745,000. Pyrite discovered in 2008. Tenders in 2015 returned at €331,000, but now expired. No imminent plans to proceed with this work.

Griffith Heights
35 Affordable dwellings, 15 social dwellings, 33 Senior Citizens dwellings and community centre. Built c 2004/2005 by Noreside Construction. Pyrite discovered in 2008. DCC has undertaken to remediate the 35 houses. Remedial works have taken place in 13 houses at a cost of approx €720,000. This figure includes for repairs to footpaths and driveways within the curtilage of the dwellings, and for public footpaths. Tender were received for the remaining 22 houses in December 2015, but with a poor response. The works were re-tendered recently, and it is hoped to commence work in August / September 2016. No recent progress has been made in the dispute with the original contractor.

Ballybough/Poplar Row/Taaffes Place Phase 2
33 dwellings in mixed 2 storey, 3 storey and duplex. Built 2007 by Glenman Corporation. Pyrite discovered in 2010. Remediation works for 19 ground floor units are complete. Final account will be in excess of €950k excl. VAT. No recent progress has been made in the dispute with the original contractor.

Valeview Crescent, Finglas
Two houses built on infill land. Built c 2005 by Togail/AMDL. Pyrite confirmed 2011. Remediated in 2014 at a cost of €82,000. DCC carried out completion works on these houses following the demise of Togail (Housing Association) and AMDL (building contractor). No possibility of pursuing a dispute in this instance.

Tolka Valley View
22 houses, community centre and 27 senior citizens dwellings. Developed by Respond housing association, and managed by them. DCC did not engage design team or contractor. Severe damage to footpaths. Worst areas of footpath were temporarily repaired by DCC in late 2013. Note that Respond are taking the view that this is a DCC development and that DCC are responsible. DCC have carried out temporary repairs on the footpaths without prejudice at a cost of approx. €10,000.

BRL 4 houses at Owensilla Terrace and 2 at Balbutcher Way

BRL development. 2 houses at Owensilla Terrace and 2 at Balbutcher Way have been remediated. Tenants refused to move in two others. No possibility of pursuing a dispute in this instance.

Ballymun Sillogue 3b (Owensilla) (see site map)
58 dwellings, built by Glenman Corporation, completed 2008. Four houses affected by pyrite. Estimated cost of remediation €200,000. Not tendered yet.

Ballymun Poppintree 5b (Carton) (see site map)
90 dwellings, built by Glenman Corporation, completed 2007. 52 houses included in works. Tender package expected to be issued during first week of June, and it is hoped to commence work on site around August/Sept 2016. No recent progress has been made in the dispute with the original contractor.

Belmayne
Large private development. Developer was Stanley Holdings, may be more than one builder. DCC own 18 units with ground supported floors that are affected by pyrite. Claims have been initiated with Premier Guarantee who have sought substantial additional information, including surveying and testing of stone, together with conveyancing documents to prove that DCC is the beneficiary of the guarantee. Additional information has been lodged for 8 of these claims. Further testing is ongoing to substantiate others.

Carleton Hall, Marino
Community hall, crèche and 4 apartments (2 over 2) Procured by Development Dept. Builder was Tara Construction. Remediation of the two ground floor apartments is onsite at present. Cost will be approx €140k. During discussions with the operators of the crèche and hall, it became clear that if remedial works proceeded, they would want alterations to the design of the building. Estimated cost of remedial works to hall and crèche approx. €400,000 excluding any fees for a design team.

Extension to 7A Avila Gardens
This is a pyrite damaged extension to a travellers housing in Finglas. Will probably be remediated in 2016, but work not tendered yet.

<u>Peter Finnegan</u>
Senior Structural Engineer

Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

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Report to the Finance Strategic Policy Committee

Community Gain Fund for the Waste to Energy Project

At the Finance Strategic Policy Committee meeting held on 7th April 2016, the Committee considered reports relating to the Community Gain Fund for the Waste to Energy Project. The reports were referred to the Finance SPC by the Environment SPC.

The Environment & Transportation Department have subsequently forwarded additional papers not included in the documentation provided for the April meeting. These additional papers were not included, in error, with the other information circulated previously. Both papers are now attached for information.

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

Discussion Paper - Community Gain Fund Contribution

The calculation of the capital contribution to the community gain fund for the Poolbeg Incinerator is quite straightforward.

Proposal and Planning Permission

Dublin City Council proposed that the community gain fund would receive a capital contribution of 3% of the capital cost of the facility. This proposal was made in four places in the application to An Bord Pleanála. The phrase used in each reference was "*3% of the capital cost of the facility*".

The Inspector's report from the oral hearing also made four references. Again in each case it was a reference to a capital contribution of 3% of the capital cost of the facility.

Mr Twomey on behalf of Dublin City Council clarified that "*It was approximately 3% of the capital cost, whatever the capital cost of the project would be*".

Finally, Condition 3 of An Bord Pleanála's decision in case EF2022 states:

> *"This fund shall include a once-off capital contribution equivalent to 3% of the capital cost of the facility "*

Calculation in 2007

In 2007 an estimate of € 8 million for the capital contribution was made based on 3% of the € 266 million capital cost of the facility at that time which was the estimated construction cost of € 266 million.

In 2007 there was no cost of capital because the contract required the private partner to provide balance sheet financing.

In 2010 the contract lapsed and Covanta negotiated a restated contract with Dublin City Council on behalf of the four Dublin Local Authorities. For unknown reasons, DCC released Covanta from the obligation to provide equity finance and allowed Covanta to raise project finance in the market.

The capital cost of raising the finance has turned out to be € 154 million. This extraordinarily high cost should be the subject of a separate investigation. (See note.)

Calculation in 2014

By 2014 the construction cost had risen to € 346 million and together with the finance cost of € 154 million this brought the capital cost for this facility to € 500 million.

The 3% capital contribution to the community gain fund is therefore € 15 million.

Additional Consideration

Since this project cost a further € 100 million spent by DCC on land acquisition, planning and other matters, consideration should be given to the provision of a further contribution of € 3 million to the community gain fund.

This would bring the proper capital contribution to the community gain fund to € 18 million.

Errors and Omissions in the DCC Briefing Paper

The briefing paper submitted on 5th August 2015 by Dublin City Council Environment and Transportation Department contains several errors.

Regarding the clarification sought by the Inspector from Mr Twomey on the basis for the 3%: the quotation from the Inspector's report is cut short by omitting the phrase:

> *"… whatever the capital cost of the project would be".*

A further distortion of this clarification is introduced on the last page of the paper where it states:

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

The clarification by Mr Twomey as recorded by the Inspector did not use the phrase "*capital/construction cost".* The clarification in the Inspector's report was:

> *"It [the lump sum] was not €8 million, irrespective of the capital cost of the project. It was approximately 3% of the capital cost, whatever the capital cost of the project would be."*

This use of the words "*capital/construction cost"* is not used in the application, nor is it used by the Inspector in his reports, nor is it used in the planning permission.

This is an attempt by the authors to substitute the capital cost of the facility with the construction cost of the facility. The briefing paper also attempts to confuse the capital cost with a "*project cost*".

Spurious Methodology

The paper attempts to introduce a methodology of calculating 3% of the capital cost by limiting the capital cost to the construction element alone.

No methodology is mentioned in the planning application documents nor is a methodology referred to in the Inspector's report and, in particular, no methodology is mentioned in the grant of planning permission.

No special methodology is required to calculate 3% - just multiply by 3 and divide by 100.

Capital Cost

The briefing paper does not address the actual capital cost of the facility as it stands today. The capital cost consists of two elements:

- the construction cost estimated at € 346 million
- the cost of capital estimated at € 154 million

The overall capital cost is the sum of these two capital costs and is therefore € 500 million.

Covanta in their SEC 10-Q filing state:

> *"The total investment in the Dublin Waste-to-Energy Facility is expected to be approximately €500 million, funded by a combination of third party non-recourse project financing (€375 million) and the contribution of project equity by Covanta Energy (approximately €125 million net investment …)"*

Financing Costs and Capitalized Interest

Covanta also state in the 10-Q filing that interest expense paid on the Dublin project financing and costs amortized to interest expense will be capitalized during the construction phase of the project.

In accordance with the United States Generally Accepted Accounting Principles (GAAP) used by Covanta the interest cost of loans for a project must be capitalised.

The Department of Finance guidance for Public Private Partnership projects also requires capitalised loan interest to be included in the total capital cost.

Conclusion

The capital cost of this facility is € 500 million.

The capital contribution to the community gain fund should be € 15 million not the € 10.38 million proposed by DCC.

Joe McCarthy

Member (An Taisce)
Environment Strategic Policy Committee
Dublin City Council

September 2nd 2015

Note

The clarification sought by the Inspector from Mr Twomey was prescient because the capital cost has risen to almost twice the cost expected in 2007 – from € 266 million to € 500 million in 2014.

The principle reason for this enormous rise is the change to the contract conditions originally required by DCC whereby the private partner would use its own equity on balance sheet to build the incinerator. After the project contract lapsed in 2010 Covanta obtained agreement from the DLAs to have the project financed from the market. The consequence is that substantial interest costs now arise.

An eye watering interest rate of 13.5% is being paid to a Covanta company in Luxemburg which lent € 75 million*.

A rate of some 9.5% applies to the € 50 million Dublin Junior Term Loan lent by Macquarie Capital.

The Dublin Senior Term Loan of € 250 million is at 6%. This loan is from AIB, Bank of Ireland, Barclays, the Ireland Strategic Investment Fund, Macquarie Bank and Ulster Bank.

It is not clear how such high interest rates can be justified for a public private partnership project when state borrowing rates are currently around 4% or less.

The excess interest paid of some € 70 million over the term of the loans is a reduction in profit of the same amount. This reduction in profit will seriously diminish the revenue share of the DLAs.

JMcC

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* **Irish Times** - Colm Keena - Tuesday, June 23, 2015

Funding for the building of the waste to energy incinerator in Poolbeg, Dublin, is coming from a company in Luxembourg with a structure similar to the ones that featured in last year's Luxleaks controversy over aggressive tax planning.

…

Filings in Luxembourg show that a company there, Dublin First WTE, was incorporated in September 2014 and immediately entered into a stakeholder loan agreement with an Irish company, Dublin Waste to Energy (Holdings), for €75 million.

The Luxembourg company is charging 13.5 per cent per annum interest on the loan, which is to be repaid in 2029. The arrangement means that the taxable profits booked in Ireland by Dublin Waste to Energy (Holdings) will be reduced by the cost of servicing the debt to the Luxembourg company. One of the features of the Luxleaks controversy was the creation of entities in Luxembourg that created profit-reducing costs in other jurisdictions, while not producing comparable taxable profits in Luxembourg.

…

Dublin First WTE has no employees, according to its 2014 accounts, and it was established so as to invest in and take interests in other companies, and grant loans to affiliated companies. It is in turn owned by a company in the Cayman Islands.

Community Gain Fund – Background Paper

This document collects all the references in the planning documents to the 3% contribution to the community gain fund:

1. From the EIS – 2 references – A and B
2. From Mr Coll's brief of evidence to the oral hearing - C
3. From Mr Coll's presentation slides to the oral hearing - D
4. From the inspectors report – 2 references – E and F
5. From the inspectors summary of the oral hearing – 2 references – G and H
6. From Condition 3 imposed by An Bord Pleanála - I

In all nine cases the amount is stated to be 3% of the capital cost of the facility.

EIS – Appendix 13.2

WASTE TO ENERGY ENVIRONMENTAL IMPACT STATEMENT COMMUNITY GAIN PROPOSALS

Page 2
Proposed Scale of the Community Gain Fund
Dublin City Council is proposing that the fund should comprise a once-off capital contribution of 3% of the capital cost of the facility A

Page 6
Summary of Proposal
The following is a summary of the proposal regarding a Community Gain Fund:

1. A Community Gain Fund would be established comprising:
   (a) a once off capital contribution of 3% of the capital cost of the facility, which is estimated at €8m B

Mr Coll - Brief of Evidence

Dublin City Council
Dublin Waste to Energy Project – Community Gain

- A once off capital contribution equivalent to 3% of the capital cost of the facility. This contribution is estimated at €8m C

Mr Coll - Presentation Slides

Community Gain Fund Proposal
• A once off capital contribution equivalent to 3% of the capital cost of the facility. This contribution is estimated at€8m D

An Bord Pleanála – Inspectors Report

In the current case, I consider that in general the extent of the fund being proposed by the Local Authority is reasonable, i.e. a capital contribution equivalent to 3% of the capital cost of the facility and an annual revenue contribution equivalent to 0.5% of the revenue generated by gate fees, subject to an annual ceiling of €500,000.

E

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4 A Community Gain Fund shall be established to support facilities and services which would be of benefit to the community in the general catchment area. This fund shall include a once-off capital contribution equivalent to 3% of the capital cost of the facility and an annual contribution per tonne of waste accepted for thermal treatment at the plant.

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An Bord Pleanála – Inspectors Report – Oral Hearing

APPENDIX NO. 1
REPORT ON ORAL HEARING

Mr. Coll stated that the community gain fund would include a once off capital contribution equivalent to 3% of the capital cost of the facility. This contribution is estimated at €8 million

G

PL29S.CH2061/ PL29S.EF2022 **An Bord Pleanála** **Page 2 of 7**

Prior to their closing submission, in response to a question from the Inspector as to whether the lump sum for the community fund would be based on the actual capital cost and a percentage of this, or if it would be €8 million as stated, Mr. Twomey, on behalf of Dublin City Council stated that it was approximately 3% of the capital cost of the project as outlined in Mr. Coll's brief of evidence. It was not €8 million, irrespective of the capital cost of the project. It was approximately 3% of the capital cost, whatever the capital cost of the project would be. Mr. Twomey stated that there was no decision made in regard to when the initial payment would be made.

H

PL29S.CH2061/ PL29S.EF2022 **An Bord Pleanála** **Page 2 of 7**

An Bord Pleanála
PLANNING AND DEVELOPMENT ACTS 2000 TO 2006
Dublin City Council
DECISION

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

29S.EF2022 **An Bord Pleanála** **Page 3 of 7**

Capital Cost

Construction cost is stated to be € 346 million
Total investment cost is stated to be approx € 500 million.

Financing and interest costs arise from three tranches of borrowing:

The amounts and interest rates applicable to these loans are:

1. Dublin Convertible Preferred €75 million anticipated funding in 2015
   a fixed rate of 13.50% per annum

2. Dublin Junior Term Loan €50 million anticipated funding in 2015 / 2016
   a fixed rate of 5.23% during the first six months of the loan, and thereafter at fixed rates from 9.23% to 9.73%

3. Dublin Senior Term Loan €250 million anticipated in 2016 / 2017
   Euro Interbank Offered Rate ("EURIBOR") plus an applicable margin, which will range from 4.00% to 4.50%

Capital Cost – Covanta Treatment – SEC 10-Q

Financing Costs and Capitalized Interest

Financing costs related to the Dublin project financing totaled $3 million for the three months ended March 31, 2015. Interest expense paid on the Dublin project financing and costs amortized to interest expense will be capitalized during the construction phase of the project.

Dublin Waste-to-Energy Facility

The total investment in the Dublin Waste-to-Energy Facility is expected to be approximately €500 million, funded by a combination of third party non-recourse project financing (€375 million) and the contribution of project equity by Covanta Energy (approximately €125 million net investment through commencement of operations, including previously invested amounts towards project development and pre-construction works, which total approximately €30 million). We expect to fund the majority of our additional project equity in 2015. Following the utilization of Covanta's initial equity investment for project costs (approximately €125 million), the Dublin project company will utilize committed funding from the Dublin Convertible Preferred (€75 million, anticipated funding in 2015), the Dublin Junior Term Loan (€50 million, anticipated funding in 2015 / 2016), and finally the Dublin Senior Term Loan (€250 million, anticipated in 2016 / 2017).

We plan to fund the majority of our equity investment with existing offshore cash balances, with any additional or interim project funding requirements to be funded with ongoing cash flow and/or capacity under the Revolving Credit Facility.

In preparing our condensed consolidated financial statements in accordance with United States Generally Accepted Accounting Principles ("GAAP"),

Capital Cost – Dept of Finance Circular for PPPs

The accounting treatment guidance for capital cost is to include the capitalised interest. See note from Dept of Finance below.

TO: All Departments
F 7/1/00
2 April 2007
Circular 4/2007: Accounting for Public Private Partnership (PPP) Projects in the 2007 and subsequent years' Appropriation Accounts

A Dhuine Uasail

7. The total capital cost (i.e. excluding Operation and Maintenance costs) of the project, to be shown in Column 4 in the table, should represent all the costs (including VAT) associated with the construction of the physical asset to the point of becoming available for use and included in the winning bidder's financial model:
   i. Actual capital construction costs (including "fit out" services and equipment costs)
   ii. Administration arrangement overheads for consortium that would be factored into commercial pricing of the built asset (e.g. bank fees, SPC operating costs insurance, etc.)
   iii. Short term funding costs (excluding finance charges) to point of delivery of the built asset (i.e. arrangement and commitment fees, capitalised interest, etc.)

FAS 34 - Capitalization of Interest Cost

This Statement establishes standards for capitalizing interest cost as part of the historical cost of acquiring certain assets. To qualify for interest capitalization, assets must require a period of time to get them ready for their intended use. Examples are assets that an enterprise constructs for its own use (such as facilities) and assets intended for sale or lease that are constructed as discrete projects (such as ships or real estate projects). Interest capitalization is required for those assets if its effect, compared with the effect of expensing interest, is material. If the net effect is not material, interest capitalization is not required. However, interest cannot be capitalized for inventories that are routinely manufactured or otherwise produced in large quantities on a repetitive basis.

The interest cost eligible for capitalization shall be the interest cost recognized on borrowings and other obligations. The amount capitalized is to be an allocation of the interest cost incurred during the period required to complete the asset. The interest rate for capitalization purposes is to be based on the rates on the enterprise's outstanding borrowings. If the enterprise associates a specific new borrowing with the asset, it may apply the rate on that borrowing to the appropriate portion of the expenditures for the asset. A weighted average of the rates on other borrowings is to be applied to expenditures not covered by specific new borrowings. Judgment is required in identifying the borrowings on which the average rate is based.

Capital Cost – IFRS and IAS 20 Treatment

Full EU IFRS requirements

• Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset must be capitalised as part of the cost of that asset.

IAS 23 Borrowing Costs requires that borrowing costs directly attributable to the acquisition, construction or production of a 'qualifying asset' (one that necessarily takes a substantial period of time to get ready for its intended use or sale) are included in the cost of the asset. Other borrowing costs are recognised as an expense.

Capita Report – Oversight and Scrutiny

Page 24

From a governance standpoint, it would be reasonable to expect the EESPC, as the Council's designated sub-committee most closely linked to the Engineering function, to ask for and receive sufficiently detailed and regular information to allow Councillors to have effective scrutiny and oversight of the WTE project. Based on the work we have undertaken, this has not occurred in the period covered by the review.

RECOMMENDATION 6: The WTE project should be included as a standing agenda item for meetings of the EESPC, at least until the proposed development is completed and operational. The Assistant City Manager should provide Committee members with a concise but sufficiently detailed update on the progress of the project for consideration at EESPC meetings.

Reference in the Contract

See page 30:

A lump sum capital contribution amount equivalent to three percent (3%) of the capital cost of the Facility …

Reference in the Managers Briefing of 19th Sept 2014

See 2 references:

On page 6

Full cost of constructing the DWtE facility (estimated at circa €500m)

Page 13

Foreign direct investment into Ireland as a result of its €500m investment cost.

Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

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

on the Operation of the Ringsend Toll Bridge Designated Activity Company

Introduction

The bridge over the River Liffey (previously known as Eastlink – now the Tom Clarke Bridge), linking North Wall Quay/East Wall Road and Ringsend was constructed in 1984. The Toll Scheme under which the collection of tolls at the Bridge operates was made on 6th October 1980 and subsequently approved by the Minister for the Environment on 13th April 1981.

In March 1983, the City Council entered into a written agreement with Ringsend Bridge Ltd. and the then Dublin Port and Dock Lands Board to implement the Scheme through the provision of a bridge, approach roads, building and ancillary works as set out in the scheme. Ringsend Bridge Ltd. was subsequently renamed East Link Ltd.

On 1st January 2016 Ringsend Toll Bridge Designated Activity Company took over the running of the toll scheme at the Eastlink on behalf of Dublin City Council, following the end of the period of the concession in favour of Eastlink Ltd. Ringsend Toll Bridge DAC is wholly owned by Dublin City Council and undertakes the operation of the Toll scheme at this location on behalf of the Council.

A formal process of Transfer of Undertakings (TUPE) was initiated in the autumn of 2015, with all Eastlink Ltd. employees being transferred to the new company with the same terms and conditions of employment including their pay, service and pension arrangements. The transition occurred seamlessly at midnight on 31st of December 2015 with no requirement to halt the tolling operation or close the Bridge and with no staff issues being raised regarding their transfer of employment.

Staff Numbers

Ringsend Toll Bridge DAC employs 23 full time staff and another 5 part time staff and also has maintenance and operations contracts for the tolling equipment, management services and bridge lifting maintenance. A breakdown of the staff compliment is given hereunder:

- 1 x Operations Manager
- 4 x Supervisors
- 4 x day toll operators
- 4 x night toll operators
- 8 x permanent part time toll operators
- 1 x maintenance/tolling operative
- 1 x Administrator

1 x part time Administrator
4 x casual toll operators

This staffing structure is unchanged from that operated by Eastlink Ltd.

The lifting of the Bridge (now named the Tom Clarke Bridge) is still being carried out by Dublin Port Company employees as before under the control of the Harbour Master as per an agreement made in 1984.

Governance
The Chief Executive appointed Brendan O'Brien, Head of Technical Services and Terence O'Keefe, Law Agent to the Board of the Ringsend Toll Bridge DAC along with Enda Currid of the Finance Department. Two members of the Council, Chris Andrews and Ciaran Cuffe have been nominated as Board members and Michael Sheary, Company Secretary, Dublin Port has also been appointed to the Board.

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

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

The capital budget for 2016-18 assumes additional income of €4m/year from the Tom Clarke Bridge tolls. This has been assigned to fund the following projects in the capital programme over the three years as follows:

Tom Clarke Bridge Upgrade	€ 5,220,000
Refurbishment of Footpaths	€ 1,500,000
Refurbishment of Carriageways	€ 2,954,565
Liffey Board Walk Upgrade	€ 1,701,150
TAMS	€ 624,285
TOTAL	**€12,000,000**

The Ringsend Toll Bridge DAC has no liabilities other than its normal operating costs.

Community Payment
In accordance with Article 4.04(d) of the Agreement between Dublin Port and Docks Lands Board and Dublin City Council, Dublin City Council receives a grant of the annual surplus each year and divides this money between the areas surrounding the East Link Bridge.

The total received for 2015 was €123,900. This money was divided equally between the catchment areas of the South East and the Central Areas. Applications received were assessed by the Area Community and Social Development Officers and subsequently approved at the relevant Area Committee Meetings.

Payment of grants is made after receipts are received for Works/Events which were approved and completed. These payments are made throughout the year to the groups which have been awarded grants.

The following schedule sets out the payments approved under this scheme in 2015:

South East Applications

App No.	Group Name	Amount Approved €
S1	Football Association of Ireland (Irishtown)	750
S2	Football Association of Ireland (Irishtown)	1000
S3	Buion Maria Repartice- Cygnets	500
S4	Buion Maria Repartice- Brigin Section	750
S5	Buion Colmcille-Guides Section	750
S6	Poolbeg Yacht and Boat Club	1000
S7	Whelan House Committee	300
S8	St Andrews Resource	1000
S9	Ringsend & Irishtown Community Centre	450
S10	Ringsend & Irishtown Community Centre	450
S11	Ringsend & Irishtown Community Centre	500
S12	Ringsend & Irishtown Community Centre	1500
S13	Cambridge Boys FC	1000
S14	Association Ringsend Allotment Club	2500
S15	Havelock Square Residents Association	900
S16	The Riverside Singers	450
S17	Marian College Musical Society	750
S18	Grand Canal Dock Residents Ass	1000
S19	Iris Charles Centre for Older Persons	1000
S20	St Patricks Rowing Club	1500
S21	Catholic Men and Women Society of Ireland	750
S22	Give N'Go Ltd	500
S23	IFFC Over 35's	500
S24	4th Port Dodder Sea Scout Group	450
S25	Cara Ladies Club	350
S26	Ringsend Crèche	700
S27	Ringsend Crèche	750
S28	Marian College Swimming Pool	3000
S29	Ringsend Reg Fishermen + Poolbeg Boat	750
S30	Ringsend Rovers FC	1500
S31	St Patricks CYFC	1000
S32	St Matthews NS	650
S33	Bridge Ltd	1000
S34	Ringsend Trust Payment	32,000
	Total for Area	**61,950**

Central Area Applications

App No.	Group Name	Amount Approved €
N1	Dublin Docklands Cultural Forum	750
N2	Daisy Days Community Childcare	2000
N3	East Wall History Group	1250
N4	East Wall Rovers	1000
N5	East Wall Skiff Rowing Club	1500
N6	East Wall Swimming /Canoe Club	750
N7	The Cavan Centre	5000
N8	East Wall Men's Shed	2500
N9	St Josephs/O'Connell Boys GAA	5000
N10	Parkside North Strand Residents Ass	750
N11	East Wall Recreation Centre Committee	1000
N12	The Five Lamps Arts Festival	2000
N13	East Wall Gardening Club	500
N14	North Wall CDP	250
N15	North Wall CDP	150
N16	North Wall CDP	200
N17	North Wall CDP	200
N18	North Wall CDP	200
N19	North Wall CDP	200
N20	North Wall CDP	200
N21	North Wall CDP	250
N22	North Wall CDP	50
N23	North Wall CDP	100
N24	North Wall CDP	250
N25	North Wall CDP	250
N26	North Wall CDP	200
N27	St Brendans Housing Heritage Group	1500
N28	St Josephs Co-Ed Primary School	2000
N29	St Laurence O'Toole CBS	500
N30	East Wall Youth	1000
N31	St Joseph YCFC	750
N32	HOPE	500
N33	Wednesday Afternoon Senior Ladies Club	1000
N34	Swan Youth Services	500
N35	St Laurence O'Toole Junior Boys School	250
N36	St Marys Youth Club	2500
N37	St Laurence O'Toole Community Group	1000
N38	East Wall for All	2000
N39	North Port Dwellers Association	1000

App No.	Group Name	Amount Approved €
N40	Larkin Unemployment Centre	700
N41	After Care Recovery Group	1000
N42	East Wall Watersports Group	1000
N43	Sean O'Casey Daycare	2500
N44	Sean O'Casey Theatre	2000
N45	Nascadh CDP Ltd	1000
N46	Nascadh CDP Ltd	1000
N47	North Wall Community Association	1000
N48	North Wall Community Association	500
N49	ASESP	1000
N50	St Laurence O'Toole Advisory Group	750
N51	Smallies Pre-School	750
N52	Lil Larriers Creche	750
N53	Teen Peer Education-	750
N54	The Den	750
N55	Wonder Kidz	500
N56	Busy Beez	750
N57	Irvine Terrace Area Action Group	1000
N58	East Wall Kick Boxing Club	1250
N59	Lourdes Day Care Centre Limited	500
N60	East Wall Bessborough FC	750
N61	NABCO	750
	Total for Area	**61,950**

The Chief Executive has agreed that the current community payment of €124,000 will continue as before. However, the details of the 2016 Grants Scheme are currently being reviewed by the Council's Community and Social Development Section, which is responsible for the operation of the scheme.

New Works
The City Council has also engaged consultants to review the current poor pedestrian and cycling arrangements on the bridge and to investigate what steps can be taken to improve them. Work is also ongoing to ensure that all signage on the bridge is Bi Lingual.

Re-naming of Bridge
The President, Michael D. Higgins, in the presence of **Ardmhéara Bhaile Átha Cliath Críona Ní Dhálaigh**, Councillors, relatives of Tom Clarke and members of the public, unveiled a plaque in memory of Tom Clarke and commemorating the renaming of the bridge in his honour on 3rd May 2016, the 100th anniversary of Tom Clarke's execution following the 1916 Rising. The plaque has been mounted on the Bridge House structure on the Bridge.

<u>Declan Wallace</u>
Director of Traffic

16th May 2016

Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

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Report to the Finance Strategic Policy Committee

Hotel Bed Tax: Legal Advice

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

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

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

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

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

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

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

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

Kathy Quinn
Head of Finance
With responsibility for ICT

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

Hotel Bed Tax: Consideration of a Hotel Bed Tax by Galway City Council

At the meeting of the Finance Strategic Policy Committee on 7th April 2016, it was agreed to defer the consideration of Report 08/2016: Hotel Bed Tax. As some councillors were unable to attend the meeting, it was agreed to discuss the report which deals with the legal capacity of Dublin City Council to impose a Hotel Bed Tax at the June meeting. It was further agreed that details would be brought to the June SPC meeting regarding the consideration of a Hotel Bed Tax by Galway City Council.

As part of the Budget 2016 process, funding options including the introduction of a hotel bed tax were examined by Galway City Council for the development of the City. It was ultimately agreed to provide for a 3% increase in commercial rates for 2016. The matter of a hotel bed tax in Galway City was not pursued. Galway City Council has confirmed that they will advise should this matter be considered in the future.

Kathy Quinn
Head of Finance
With responsibility for ICT

Finance Strategic Policy Committee

Annual Financial Statement 2015

16th June 2016

Antoinette Power

Head of Financial Accounting

AGENDA

- Introduction to Final Accounts
- Revenue & Capital Accounts
- Balance Sheet
- Funds Flow Statement
- Accounting Code of Practice
- Questions

Annual Financial Statement – Final Accounts

- Financial Accounts Content
  - Statement of Accounting Policies
  - Income and Expenditure Account
  - Balance Sheet
  - Fund Flow Statement
  - Notes to and forming part of the accounts
  - Appendices

Annual Financial Statement (AFS)

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

Income & Expenditure Account Statement Year ended 31st December 2015

	2015 €m	2014 €m
Gross Expenditure	722.91	722.48
Less Gross Income	409.76	393.76
Net cost to be funded	**313.15**	**328.72**
Rates	336.25	342.23
Local Property Tax (Discretionary)/LGF	6.80	2.66
Pension Related Deduction	16.25	16.43
Surplus before transfers	46.15	32.61
Transfers to reserves	(45.90)	(20.83)
Overall surplus / deficit	**0.25**	**11.77**
General Reserves 01/01/15	28.35	16.57
General Reserves 31/12/15	28.60	28.35

Analysis of Revenue Expenditure

Expenditure	2015		2014	
	€m	**%**	**€m**	**%**
Payroll Expenses	361.29	50.0%	361.52	50.0%
Operational Expenses	159.23	22.0%	158.01	21.9%
Administration Expenses	96.57	13.4%	78.90	10.9%
Establishment Expenses	31.46	4.4%	42.26	5.9%
Financial Expenses	61.73	8.5%	68.04	9.4%
Miscellaneous	12.63	1.7%	13.75	1.9%
	722.91	**100.0%**	**722.48**	**100.0%**

Refer to Appendix 1, Page 33

Analysis of Revenue Income

Income source	2015		2014	
	€m	**%**	**€m**	**%**
Rates	336.25	43.7%	342.23	45.3%
Goods and Services *	227.35	29.6%	243.20	32.2%
Grants and Subsidies **	121.70	15.8%	92.82	12.3%
Local Government Fund	6.80	0.9%	2.67	0.4%
Local Authorities	60.71	7.9%	57.74	7.6%
Pension Related Deduction	16.25	2.1%	16.43	2.2%
	769.06	**100.0%**	**755.09**	**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	2015		2014	
	€m	**%**	**€m**	**%**
Grants	120.80	60.6%	111.41	69.9%
Property Disposals	6.53	3.3%	6.41	4.0%
Development Contributions	19.87	10.0%	0.71	0.4%
Borrowings	2.38	1.2%	8.32	5.2%
Car Parking	6.36	3.2%	5.53	3.5%
Transfers to Reserves	25.26	12.7%	14.09	8.8%
Other	18.28	9.2%	12.94	8.1%
Total	**199.48**	**100.0%**	**159.41**	**100.0%**

Refer to Appendix 5 in AFS, Page 44

Capital Expenditure by Service

Service	2015		2014	
	€m	**%**	**€m**	**%**
Housing & Building	150.86	60.5%	112.03	64.5%
Roads Transportation & Safety	18.17	7.3%	22.03	12.7%
Water & Sewerage	3.65	1.5%	7.71	4.4%
Development Incentives & Controls	21.85	8.8%	11.82	6.8%
Environmental Protection	3.31	1.3%	6.68	3.8%
Recreation & Amenity	18.15	7.3%	12.89	7.4%
Agriculture, Education, Health & Welfare	-	0.0%	-	0.0%
Miscellaneous	33.27	13.3%	0.62	0.4%
	249.26	**100.0%**	**173.78**	**100.0%**

Refer to Appendix 6 in AFS, Page 45

Balance Sheet at 31st December 2015

	Note	2015 €m	2014 €m
Fixed Assets		10,118	10,091
Work in Progress	2	427	432
Long Term Debtors	3	502	565
Current Assets	4/5	254	257
Less Current Liabilities	6/7	184	237
Net Current Assets		70	20
Less Creditors	8/9	630	658
Net Assets		**10,487**	**10,450**
Represented by			
Total Reserves	10/2/11	**10,487**	**10,450**

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 2015

	Note	2015 €
REVENUE ACTIVITIES		
Net Inflow/(outflow) from operating activities	**17**	**(1,240,091)**
CAPITAL ACTIVITIES		
Returns on Investment & Servicing of Finance		
Increase/(Decrease) in Fixed Asset Capitalisation Funding		27,623,917
Increase/(Decrease) in WIP/Preliminary Funding		(1,312,323)
Increase/(Decrease) in Reserves Balances	**18**	28,991,664
Net Inflow/(Outflow) from Returns on Investment and Servicing of Finance		55,303,258
Capital Expenditure & Financial Investment		
(Increase)/Decrease in Fixed Assets		(27,623,917)
(Increase)/Decrease in WIP/Preliminary Funding		5,311,559
(Increase)/Decrease in Agent Works Recoupable		-
(Increase)/Decrease in Other Capital Balances	**19**	(84,899,874)
Net Inflow/(Outflow) from Capital Expenditure and Financial Investment		(107,212,232)
Financing		
Increase/(Decrease) in Loan Financing	**20**	34,655,709
(Increase)/Decrease in Reserve Financing	**21**	65,445,380
Net Inflow/(Outflow) from Financing Activities		100,101,089
Third Party Holdings		
Increase/(Decrease) in Refundable Deposits		1,114,530
Net Increase/(Decrease) in Cash and Cash Equivalents	**22**	48,066,554

Analysis of Loans

Loan type	**€m**	**€m**
	31-Dec-15	**31-Dec-14**
Mortgage Loans	187.4	195.6
Asset / Grant Loans	9.9	83.9
Bridging Finance	80.2	84.4
Shared Ownership - Rented Equity	92.0	109.0
Voluntary Housing and Water Loans	251.4	259.8
Total Loans Payable	**620.9**	732.7

Refer to Note 7 in AFS, Page 25 for more details.
Note 7 figures for 2014 are re-stated to account for the re-classification of Water Loans

Trade Debtors

	2015 €	2014 €
Government Debtors	39,120,948	100,343,081
Commercial Debtors	68,884,927	97,074,534
Non-Commercial Debtors	38,453,748	45,553,752
Development Levies	20,093,027	17,966,035
Other Services	5,775,048	3,331,917
Other Local Authorities	4,161,492	1,720,578
Add: Amounts falling due within one year	44,000,000	31,000,000
Gross Debtors	**220,489,190**	**296,989,897**
Less: Provision for Doubtful Debts	111,527,271	139,754,622
Total Trade Debtors	**108,961,919**	**157,235,275**

Refer to Note 5 In AFS, page 24

Major Revenue Collections For 2015

	Arrears at 1/1/2015	Accrued	Vacant Property Adjustments	Write offs	Waivers	Total for collection	Collected	Arrears at 31/12/2015	Specific Doubtful Arrears	% Collected
	€	€	€	€	€	€	€	€		
Rates	62,598,018	336,255,813	13,545,343	20,076,317	-	365,232,171	314,107,645	51,124,526	7,100,000	88%
Rents & Annuities	19,640,271	72,272,933	-	454,408	-	91,458,796	72,784,295	18,674,501	-	80%
Miscellaneous Rents										
RAS	594,642	3,527,816	-	19,851	-	4,102,607	3,068,517	1,034,090	-	75%
Travellers	379,734	530,827	-	-	-	910,561	460,420	450,141	-	51%
Homeless	747,048	663,467	-	615,962	-	794,553	511,319	283,234	-	64%
Rent to Buy	44,440	193,960	-	-	-	238,400	182,010	56,390	-	76%
Housing Loans	15,135,112	22,063,055	-	-	-	37,198,167	22,071,377	15,126,790	-	59%

Summary of Local Property Tax Allocated

	2015 €	2015 €
Discretionary		
Discretionary Local Property Tax *	6,800,296	
		6,800,296
Self Funding - Revenue		
Housing & Building	15,207,554	
Roads Transportation & Safety	5,780,600	
		20,988,154
Total Local Property Tax - Revenue		**27,788,450**
Self Funding – Capital		
Housing & Building	25,940,094	
Roads Transportation & Safety	0	
		25,940,094
Total Local Property Tax – Capital		**25,940,094**
Total Local Property Tax – Allocated		**53,728,544**

* Term ‘Discretionary’ applied by DoHP&LG on introduction of LPT arrangements. Includes €2.7m funding (General Purpose Grant) received prior to the introduction of the LPT. This existing funding supports existing services and is not additional.

THANK YOU

QUESTIONS?

Comhairle Cathrach
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Dublin City Council

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Report to the Finance 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 twelve year period 2004 to 2015. 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 4 no. 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 twelve year period 2004-2015 under the five classes.

See Appendix 3 for receipts by year from 2004 to 2015.

Table 3

Class Description	%	Actual 2004-2014	Actual 2015	Total 2004-2015
Roads	22.51	50,788,313	600,564	51,388,877
Water & Drainage	57.33	127,979,097	764,778	128,743,875
Parks, facilities & amenities	3.59	8,099,956	95,781	8,195,737
Community facilities & amenities	6.71	15,139,475	179,022	15,318,497
Urban Regeneration facilities & amenities	9.86	22,246,680	263,063	22,509,743
Total	**100**	**224,253,521**	**1,903,208**	**226,156,729**

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 2010-2015 is shown in Table 6.

Table 6

Class Description	**%**	**Actual 2010-2014**	**Actual 2015**	**Total 2010-2015**
Roads	30	6,185,364	1,523,523	7,708,887
Water & Drainage	50	8,615,244	1,269,603	9,884,847
Parks, facilities & amenities	4	824,715	203,136	1,027,851
Community facilities & amenities	11	2,267,967	558,625	2,826,592
Urban Regeneration facilities & amenities	5	1,030,893	253,921	1,284,814
Total	**100**	**18,924,183**	**3,808,808**	**22,732,991**

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.

Post 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 are 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).

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 & 2015 is shown in Table 9.

Table 9

Class Description	%	Actual 2014	Actual 2015	Total
Roads Infrastructure & facilities	40	991,150	3,593,662	4,584,812
Surface Water, flood relief and other works	33	817,698	2,964,771	3,782,469
Parks, facilities & amenities	5	123,894	449,208	573,102
Community facilities & amenities	15	371,681	1,347,623	1,719,304
Urban Regeneration facilities & amenities	7	173,451	628,891	802,342
Total	**100**	**2,477,874**	**8,984,155**	**11,462,029**

Table 10 summarises the actual contributions for both the old and the new Schemes from 2004-2015 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 2015 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 2004-15***	***Contributions Allocated to completed/current projects 2004-15***	***Committed to current projects Capital Budget 2016-2018***
	€	**€**	**€**
Roads	63,682,576	53,269,952	10,412,624
Water & Drainage	142,411,190	128,256,301	14,154,889
Transfer to Irish Water		3,743,707	-3,743,707
Parks & Amenities	9,796,692	8,924,399	872,293
Community Facilities	19,864,392	17,652,764	2,211,629
Urban Regeneration	24,596,900	11,496,348	13,100,552
Total	**260,351,750**	**223,343,471**	**37,008,279**

Funding of €223.3m 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 €37m is committed in the Capital Budget 2016-2018 to funding current schemes as per Appendix 2 in addition to estimated Development Levies receipts for 2016-2018 of €42.3m.

Capital Programme 2016-2018

The Capital Programme 2016-2018 was presented to Council in Nov 2015. The capital programme represents an investment of €685.9m for the period 2016-2018.

A summary of the Capital Programme 2016-2018 is set out within Table 11.

Table 11

Description	***Budgeted Expenditure 2016-2018***	***External Funding 2016-2018***	***Internal Funding Required***
	€	**€**	**€**
Programme Group Total	685,985,678	583,444,629	**102,541,049**
Internal Funding Sources			
Disposals, Car Parking & Property Rentals			35,222,452
Development Contributions			
S48			67,318,597
Total			**102,541,049**
Balance			**0**

Table 11 indicates that development contributions are committed to the proposed listing of capital projects 2016-2018 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 2015.	20.1
Development Contributions subject to phasing arrangements.	20.4
Total	**40.5**

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 2016-2018 of €685.9m 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 2016-2018 is €102.5m of which Development Contributions is €67.3m (65.7%) and other capital funding €35.2m (34.3%). 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 2004-15	Contributions Allocated to current or completed projects 2004-15	Committed Contributions to current or uncommenced projects At 01/01/2016
		€	€	€
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		6,924,563	
East Wall Road	Completed		6,329,946	
Macken Street Bridge (Samuel Beckett Bridge)	Completed		17,253,968	
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		331,475	
Macken Street Bridge Phase 1 Sect 2	Completed		17,752	
Blackhorse Avenue Section 2	Current		161,281	
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		1,001,191	
Killeen Road	Completed		169	
Refurbishment of Carriageways	Current		1,205,032	
Forbes Street Pedestrian & Cyclist Bridge	Current		40,087	
Kilmainham Civic Space	Current		1,200,000	
Class 1: Roads Total		**63,682,575**	**53,269,952**	**10,412,623**
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	

		Total Actual Contributions	Contributions Allocated to current or completed projects	Committed Contributions to current or uncommenced projects
Scheme Name	***Stage***	***2004-15***	***2004-15***	***At 01/01/2016***
		€	**€**	**€**
Roundwood Covered Reservoir	Civil contract completed , M&E contract current **IW**		3,385,938	
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 –	Completed		105,369	

Scheme Name	Stage	Total Actual Contributions 2004-15 €	Contributions Allocated to current or completed projects 2004-15 €	Committed Contributions to current or uncommenced projects At 01/01/2016 €
Preliminary				
Secondary Chorlination – Saggart OSEC	Completed		794,963	
Strategic Drainage Study Dublin	Completed		1,500,000	
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		748,519	
Dublin Flood Early Warning System	Current		510,387	
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	
Wad River Flood Works	Current		509,312	
Dodder CFRAMS	Current		84,800	

Scheme Name	Stage	Total Actual Contributions 2004-15 €	Contributions Allocated to current or completed projects 2004-15 €	Committed Contributions to current or uncommenced projects At 01/01/2016 €
Eastern River Basin District	Current		987,737	
Class 2: Water Total		**142,411,188**	**132,000,008**	**10,411,180**
Class 3: Parks				
South Dock Street Park	Completed		334,000	
Cherry Orchard	Completed		440,000	
Portland Place	Completed		125,000	
Various Playgrounds	Current		911,604	
St.Annes Park Mgt Plan	Current		651,320	
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		131,146	
Pelletstown Park	Complete		251,243	
Parks Pavillions Projects	Current		251,143	
Bull Island	Current		64,715	
Chocolate Park	Current		24,797	
Class 3: Parks Total		**9,796,691**	**8,924,399**	**872,292**
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	
Libraries Programme of Works	Current		151,753	
Markievicz Improvement Works	Completed		355,000	
Exemplar Project	Current		26,509	
Class 4: Community Total		**19,864,393**	**17,652,763**	**2,211,629**
Class 5: Urban				

		Total Actual Contributions	Contributions Allocated to current or completed projects	Committed Contributions to current or uncommenced projects
Scheme Name	***Stage***	***2004-15***	***2004-15***	***At 01/01/2016***
		€	**€**	**€**
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		1,341,388	
Grafton Street Construction Works	Current		1,283,128	
Grafton Street & Environments	Current		200,000	
Class 5: Urban Total		**24,596,900**	**11,496,347**	**13,100,553**
Overall Total		**260,351,750**	**223,343,471**	**37,008,279**

Appendix 2: Project List

Class 1 - Roads infrastructure and facilities

Current Projects	***Proposed Projects***
Blackhorse Avenue Section 2	Hanover Street East
Clonshaugh Road	Castleforbes Street
Forbes Street Pedestrian Bridge	North South Dock Road between Block 9 & 10 North Docklands
Dodder Bridge	College Green Public Realm Improvements

Class 2 – Water and Drainage infrastructure and facilities

Current Projects	***Proposed Projects***
Dublin Flood Early Warning System	Culvert Improvement Works – Screen Upgrade Works
Clontarf Flood Relief	Culvert Improvement Works Camac Culvert Collapse, future works
Implementing Flood Resilien City Outcomes	Project 2100
Dodder Flood Works	Flood Defence Repair Work
Campshires Flood Protection Projects	Flood Defence Inspection Scheme
Eastern River Basin Study	Small Scheme Improvement Works/Recommendations in GDSDS
River Wad	Surface Water Asset Management System
Sandymount Flood Defences	Surface Water Network Improvement Works
Poddle River Flood Alleviation	Sustainable Drainage Works
Flooding Emergency Works	

Class 3 - Parks facilities and amenities

Current Projects	***Proposed Projects***
Parks Sports Capital Projects – Kilbarrack, Springdale,Tolka Valley,St Annes Park, Poppintree, Rockfield Park, Fr Collins	
Parks Community – Weaver Park	Parks Community – Bridgefoot Street Park
Parks Historic – Mountjoy, Merrion Square conservation plan	Parks Historic – Herbert, Blessington St Basin, Cuilin House & Courtyard, St Audeons Park/Church, St Patricks Park
Parks Playground Programme, Le Fanu Park	
Parks Major Projects – Bull Island, Depot Improvement Programme, Acquisition of Lands	Parks Major Projects - Bushy Park, Sculpture Installations, Interpretation & Signage Programme

Class 4 – Community facilities and amenities

Current Projects	***Proposed Projects***
Hugh Lane Gallery Extension	Libraries -Dolphins Barn – refurbish, Terenure – rebuild, Ballymun, Walkinstown & Charliville Mall refurbish, Driminagh - new
Leisure Centre Programme of Works	
Libraries Programme of Works	New Civic Museum
Henrietta Street	
Upgrade of Community Facilities	
Municipal Sports Centres	
Ballyfermot Leisure Centre – New Pitch	
Finglas Library Relocation	

Class 5 – Urban Regeneration facilities and amenities

Current Projects	***Proposed Projects***
Grafton Street & Environs	Public Realm Implementation Programme
Markets Refurbishment	Linking Routes North South
Docklands Public Realm	Space & Placemaking – Wolfe Tone Square, Moore Street, Castle Street , City Markets, Aungier Street
	Liberties Plan

Appendix 3: Actual Contributions received from 2004-2015

Class Description	Actual 2004 €m	Actual 2005 €m	Actual 2006 €m	Actual 2007 €m	Actual 2008 €m	Actual 2009 €m	Actual 2010 €m	Actual 2011 €m	Actual 2012 €m	Actual 2013 €m	Actual 2014 €m	Actual 2015 €m	Total
Roads	1.63	9.6	11.6	11.6	5.32	2.3	3.7	2.7	2.1	3.3	4.1	5.7	63.6
Water & Drainage	4.14	24.5	29.4	29.6	13.54	5.9	8.9	5.8	4.2	7.5	3.8	5.0	142.4
Parks, facilities & amenities	0.26	1.53	1.8	1.8	0.85	0.37	0.58	0.40	0.304	0.499	0.566	0.748	9.8
Community facilities & amenities	0.46	2.87	3.4	3.5	1.59	0.69	1.1	0.90	0.725	1.061	1.4	2.1	19.9
Urban Regen. facilities & amenities	0.71	4.2	5.1	5.1	2.32	1.0	1.5	0.840	0.571	1.152	0.984	1.15	24.6
Total	**7.2**	**42.7**	**51.3**	**51.6**	**23.6**	**10.2**	**15.8**	**10.6**	**7.9**	**13.5**	**10.9**	**14.70**	**260.4**

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 Strategic Policy Committee

Work Programme 2016-2017

At the meeting of the Finance Strategic Policy Committee held on 7th April 2016, it was agreed that Committee Members would forward on details of agenda items they would like discussed over the period 2016-2017.

Set out on the attached appendix is a summary of the submissions received to date from Committee Members.

Kathy Quinn
Head of Finance
With responsibility for ICT

Appendix 1

Item No.	Categories	SPC Member	Agenda Item
1	Reporting for Service Users	Cllr. R. McGinley	Statement of Income and Expenditure
		Gina Quin	A report to show directly what services are provided to business (specifically business) in return for their rates. What proportion of the rates bill goes to business services? This is with a view to appraising companies where their taxes are spent and how they benefit their business.
		Gina Quin	What services are provided to citizens in return for their property tax (specifically citizens). What proportion of the property tax goes to providing services? In the same way how can Dublin City Council appraise citizens where their taxes go?
2	Value for Money	Cllr. Nial Ring	Value for Money report on main expenditure items which could extend beyond the usual criteria. For example, refurbishment of voids is done in-house and by contractors but the "real" cost is never calculated which should include loss of rent, reallocation of resources etc.
		Request to all members	To seek suggestions for other functional areas of the Council.
		Gina Quin	A comparison of the unit cost and volume of services provided by DCC versus other local authorities in Ireland and possibly elsewhere would be very useful. This is with a view to considering how efficient Dublin City Council services are across various services, litter, fire brigade, cultural, lighting, security, housing etc.

3	Local Government/Central Government Funding	Cllr. Nial Ring Gina Quin	A report on DCC's continuous "subsidising" of the rest of the country in line with that discussed. The main areas referred to so far have been the LPT equalisation, government buildings rates exemption, Failte Ireland spend v Dublin's contribution towards the overall tourism intake, ambulance service as discussed, rates collection percentage as revealed at meeting –v- rest of country etc. This could be a major piece of work and could be extended to include all areas where DCC effectively take a national –v- local hit on service provision (direct and indirect costs should be included). Consideration of the use to which business (or non-grant) funding is put in Dublin –v- another rural local authority. This would show the line items that central government funds at a rural level but leaves urban areas to cover themselves. We believe that business rates may be used more widely in rural areas.
4		Gina Quin	Should the Finance Committee consider the long run funding of DCC? What assumptions are these based on and why is there is no Central Government funding for areas that are provided for elsewhere in the country? Issue Report on Funding of Dublin
5	Income	Cllr. Nial Ring	Dublin City Council foregoes up to €9m in income by giving premises to community groups etc at abated or low rents. A report on this should be included in a works programme.

6	HFA borrowings	Cllr. Noeleen Reilly	The workings of the Housing Finance Agency in terms of Loans to Dublin City Council.
7	Debtors	Cllr. Nial Ring	Quarterly report to the SPC on the outstanding bin charge debtors. An example such as the report on Rates would be a good start followed by regular updates.
8	Provision of Regional Services	Cllr. Noeleen Reilly	The Cost of providing services to other Local Authorities ie, housing, homelessness, Fire Service, motor tax etc.

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Motion to the Finance Services SPC: June 16th 2016

That Dublin City Council calls on the New Minister for Housing, Planning and Local Government Simon Coveney to provide clarity as a matter of urgency on the position of Irish Water facilities which have been made exempt from rates under Section 12 of the Water Services Act 2014 which has a value of €14.05m to Dublin City Council

Proposed by Cllrs. Noeleen Reilly, Daithí Doolan, Greg Kelly, Mícheál MacDonncha

Report

Section 12 of the Water Services Act 2014 provides that public water services property are not rateable and amended Schedule 4 of the Valuation Act 2001 as stated below:

Public water services property not rateable

12. Schedule 4 to the Valuation Act 2001 is amended by inserting after paragraph 20 (inserted by section 16 of the Health Service Executive (Financial Matters) Act 2014) the following:

21. The entire network (within the meaning of section 2(1) of the Water Services Act 2007) used for the provision of water services (within the meaning of that subsection) by Irish Water or a person who holds a water services licence under section 79 of the Water Services Act 2007 or land and buildings occupied by Irish Water or such a licence holder.”.

Circular L3 15 dated 22nd April 2015 noted that the enactment of the above section would have a negative financial effect on Local Authority budgets and therefore informed Local Authorities that compensation funding would be provided through the Local Government Fund in 2015 and 2016.

It is unclear as to whether compensatory funding will be provided in 2017 and the Finance Executive raised this point at a Financial Review meeting on 3rd March 2016 with officials from the DoECLG and subsequently wrote to the Department on the 4th March 2016 outlining the financial impact of this funding source.

The 2016 value of commercial rates as exempt on the IW network is valued at €14.3M but due to prior year minor overpayments and changes in rateable valuation, the 2016 claim was reduced to €14.05. The 2017 amount due is €14.2M based on the current general annual rate on valuation of 0.256.

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

Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

Briefing Note of Meeting held on 14th April 2016 at 1pm

Re: (i) Trading conditions for businesses in Dublin City and (ii) Administration of Bids Debtor

<u>Attended by:</u> Councillor Ruairí McGinley, Chairman, Finance Strategic Policy Committee,
Kathy Quinn, Head of Finance, Dublin City Council.

Ray Hernan, Chairman, BID Company,
Noel Flynn, Treasurer, BID Company,
Richard Guiney, CEO BID Company.

The meeting was held following a request by the Chairman of the BID Company to discuss the Administration of the Bids Debtor and research undertaken by the company relating to trading conditions for businesses in Dublin City Centre. The purpose of the meeting was to communicate the research findings and communicate administrative arrangements relating to the BID debtor. The meeting commenced at 1pm and concluded at 2pm. It was held in the Finance Department, Floor 8, Block 1, Civic Offices.

The following issues were discussed:

- Footfall and turnover have decreased notably since December 2015.
- The decline is more notable in the south city.
- Consumer sentiment and spending is considered to have fallen, for a range of possible reasons such as increasing housing rents, political uncertainty.
- Research undertaken indicates that access for the car borne shopper is raised as a barrier to shopping in Dublin City centre by an increasing number of potential shoppers.
- Access for cars borne shoppers is increasingly viewed as a barrier for all of the suburban shopping centres but to a lesser degree than for the City centre.
- The proposals for College Green are welcome in terms of the introduction of a large public space however the plan must be fit for business purposes leaving business owners capable to continuing to trade effectively when the new arrangements are introduced.
- A detailed evaluation of research carried out by the BID company would be available to present to the Finance Strategic Policy Committee.
- It was agreed that this issue would be relevant and of interest to the SPC members.
- A review of the debtor held by DCC for the BID company will commence with view to aligning the value of debts held.
- The impact of the rates revaluation was referenced.
- The next meeting of the Finance SPC is scheduled for 16th June 2016.

Dublin City Council

Audit Committee

Minutes of Meeting held on 11th February, 2016 at 8.00 a.m.
in the Members Room City Hall

Attendance:

Members

Mr. Brendan Foster, Dublin Chamber of Commerce, Chairperson
Mr. Johnny McElhinney, Docklands Business Forum
Councillor Naoise O Muiri
Councillor Nial Ring
Ms. Louise Ryan, TCD

Officials:

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

Apologies:

Professor Marann Byrne, DCU
Mr. Owen Keegan, Chief Executive, Dublin City Council

1. **Minutes of Audit Committee Meeting held on 10th December, 2015**

   Hugh Fitzpatrick informed the members that the report on the Audit Committee Work Programme 2016 was approved by City Council at its meeting held on 11th January, 2016 and the report to City Council on the amended Audit Committee Charter was approved at its meeting held on 1st February, 2016.

   The minutes were agreed.

2. **Standing Item on the agenda – Any Conflict of Interest of A.C. Members and Annual Declaration Regime (Ethics Code)**

3. No conflict of interest declared by members.

   In response to a query raised by HF, an official from the D.O.E.C.&L.G. has suggested that the external members of the A.C. sign an annual declaration. Following a short discussion on the matter, it was agreed that the Declaration Form under the Ethics Code of the L.G. Act, 2001 was not appropriate for the external members and instead that they will complete a declaration form, similar to the one that they signed upon their appointment, annually.

4. **Resignation of Prof. Marann Byrne and nomination of person to fill the vacancy**

The forthcoming resignation of Prof. Marann Byrne will create a vacancy on the committee. The process for resignation is that Prof. Byrne will write to the Lord Mayor, tendering her resignation, which is effective from the date the LM receives the letter.

The Corporate Policy Group has requested that the AC consider this matter and suggest a suitable replacement for MB. BF queried the process involved in nominating the external members when the A.C. was being re-established after the 2014 Local Elections. Eleven people were nominated from different pillars of public life, e.g. Universities, Dublin Chamber of Commerce, Dublin Business Forum, etc. The Corporate Policy Group, with the support of the Chief Executive recommended 4 people, including BF, who were subsequently ratified by the City Council on 6th October, 2014. The Audit Committee can't appoint a replacement, only make a recommendation. CE has a consultative role. CPG makes its recommendation to City Council.

LR suggested that someone from the remaining 7 people from the original 11 could be nominated. A number of suggestions were made as to the particular nomination, HF to follow up on those suggestions in the order agreed. **Action 1**

5. **Amended Audit Committee Charter and Protocol in relation to Protected Disclosures**

The following points were noted:

- The Chairperson of the A.C. is the sole member designated to receive protected disclosures.
- The Chairperson will be a conduit for referral of the protected disclosure to either the "Designated Official" Mr. Brendan Ralph or to the Chief Executive, Mr. Owen Keegan as appropriate, for assessment.

Initial investigation:

- The Chairperson will be advised of the outcome of the assessment and whether or not the disclosure warrants further investigation (and if not proposed, the reason for that decision).
- The Chairperson in turn will communicate the decision back to the discloser.
- The Minister has designated a long list of Chief Executives from a wide range of public bodies, including Chief Executives of all Local Authorities to whom protected disclosures can be made (regardless of the place of employment of the individual L.A. employee making the disclosure).
- A protected disclosure can also be made to the Minister with responsibility for the particular public body, i.e. the Minister for the Environment, Community & Local Government, in the case of Local Authorities.

The Chairperson proposes to report to the A.C. on an annual basis as to the number of Protected Disclosures received by him and this will be included in the Audit Committee's Annual Report to the City Council. Any protected disclosure received by the Chairperson will also be captured in the Annual Report that DCC is required to prepare and publish in relation to same.

6. **Internal Audit report, R01/2016 – Annual Motor Tax Stocktake**

HF apologised for the late circulation of the report, which was due to clarification being required on a number of issues between I.A. staff and the Management of the Motor Tax Office. A number of computer errors are recurring time and again on the software systems used nationally by Motor Tax Offices in Local Authorities. This software system is under the control of the National Vehicle and Driver File Unit (within the Driver and Vehicle Computer Services Division), which is administered by the staff of the Department of Transport, Tourism & Sport (DTTAS), based in Shannon. Consequently, in spite of numerous requests from the Management of the Motor Tax Office to the N.V.D.F. Unit to resolve these issues, these errors are still recurring. The Authorised Motor Tax Officers National Group has also taken this matter up with the Driver and Vehicle Computer Services Division, but to no avail.

All of the issues which could not be reconciled during the audit on the 23rd & 24th December due to these computer errors have been explained by the Motor Tax Management to the satisfaction of Internal Audit. However, there was one issue found which required investigation relating to 14 driving licences showing as invalid, but remaining on the system since the 2012 Stocktake. The Road Safety Authority took over the function in relation to issuing driving licences from January 2013 and all stock, including invalid licences, should have been returned to the R.S.A. by Local Authorities. There is no evidence of receipt by the R.S.A. of these 14 licences nor a record of the licences being returned to them. Consequently, they are unaccounted for. As the licences could potentially be fraudently used until their expiry date in 2022, I.A. recommended that the Motor Tax Office advise An Garda Siochana of this matter. This was done by the Authorised Officer of the Motor Tax Office on the 10th February, 2016. HF informed the Committee that he will take up the matter of the recurring computer errors with the Principal Local Government Auditor in an effort to try and get them to exert pressure on the Department of Transport, Tourism & Sport to resolve these issues once and for all. **Action 2**

7. **Future Familiarisation Sessions**

HF suggested to the members that an overview of the City Council might be helpful, in terms of how the City Council operates, e.g. the role of the Executive viz-a-viz the elected Council, the Committees Structures, etc. The members agreed that this would be very useful. Hugh Fitzpatrick to arrange. **Action 3**

8. **Annual report of the Audit Committee**

Draft report approved for submission to the City Council. HF to submit to March meeting of Council. **Action 4**

9. **NOAC reports**

- Local Authority Tenants' Satisfaction Survey
- Performance Indicators in Local Authorities, 2014
- Local Authority Corporate Plans 2015-2019

Reports noted. None of the reports require any follow up action by the A.C. The value of some of the reports, particularly the survey on L.A. Tenants Satisfaction was questioned by some of the Members.

10. Updates on Protected Disclosures & Review of Risk Management

Protected Disclosures: A small group within the Local Government Management Agency is looking at draft policy & procedures. DPER issued final guidance. Document still in draft form. NOM expressed concerns that there was no reference to the AC in Mary Pyne's report. He felt that there should be a reference to the AC in the final report and it should be presented to the AC for noting.

Risk Management: BF to meet with E&Y on 2nd March. He will report back to AC.

11. Feedback from Finance SPC

KQ referred to two previous requests, channelled through that SPC for the A.C. to agree to circulate audit reports to Councillors within a certain timeframe of their completion. The A.C. had decided not to change the current practice in relation to the circulation of audit reports. The A.C. has been asked once again (at the last meeting of the Finance SPC held in January) to re-consider this matter. Following further discussion, the Committee once again noted that the audit reports are subject to the Freedom of Information regime and decided not to change from the current practice. However, it was agreed that if a particular audit report was the subject of an F.O.I. request that it would also be issued to all Councillors.

12. A.O.B.

KQ informed the members that a staff member, a Graduate Accountant, has asked if he could attend a meeting of the Audit Committee, for his own personal development. He is aware of the confidentiality of the AC meetings. The members had no objection to this request, and he can attend the May meeting.

The meeting concluded at 9.15 a.m.

B P Foster

Brendan Foster, Chairperson

Date: 12. 5. 2016

Appendix A

Actions agreed at this Audit Committee Meeting

Action 1: A number of suggestions were made in relation to the nomination to replace Prof. Byrne on the A.C. HF to follow up on those suggestions, in the order agreed. The nomination to be submitted to the Corporate Policy Group for ratification and then formal approval of the City Council. **(HF)**

Action 2: HF to consult with the Principal LGA in relation to the recurring computer errors which appear on the software system being used by the Motor Tax Office, in an effort to try and get them to put pressure on the DTTAS to resolve these issues permanently. **(HF)**

Action 3: Familiarisation Session to be arranged in relation to the operation of the City Council and the link with the various Committees. **(HF)**

Action 4: Annual report of the Audit Committee to be submitted to the March meeting of Council. **(HF)**

Appendix B

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

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

Action 2: Agreed at the 24th September, 2015 meeting. The Chief Executive to advise the Audit Committee on the outcome of the following two reports:

(1) Review of the City Council's approach to risk taking/insurance by Willis Limited and
(2) A Value for Money review of Irish Public Bodies by Price Waterhouse Cooper
(Chief Executive)