



Motion to the Finance SPC – 21st March 2024

Motion in the name of Cllr. James Geoghegan

That the Finance SPC

- acknowledges the specific and unique challenges the restaurant sector in Dublin city is currently facing, as well as other parts of the country;
- supports the government's Increased Cost of Business (ICOB) grant which benefits over 17,000 rate payers in Dublin City Council and the changes to the tax debt warehousing regime that essentially eliminates interest on tax debt that has been warehoused;
- recognises that more is needed to support the restaurant sector and calls on the Minister for Finance to separate the treatment of bedrooms in hotels from the sale of food in restaurants and cafés and reintroduce the 9% Vat rate for the sector and agrees to write to the Minister seeking this change; and
- write to the Minister for Housing, Local Government and Heritage to make any necessary regulations, as provided for under s.15 (5) of the Local Government Rates and Other Matters Act 2019, to enable Dublin City Council to prepare such a scheme.

Report

The Local Government Rates and Other Matters Act 2019 was passed by the Oireachtas and enacted on 11th July 2019. The purpose of the Act is to modernise the collection of rates, which are a vital source of funding for local authorities representing approximately 30% of the revenue income across all local authorities. The Act contains provision in section 15 relating to potential alleviation schemes. These provisions empower the Elected Members of local authorities to devise and achieve policy objectives through locally targeted rates waiver schemes. This will enhance the capacity of local authorities to address important issues and challenges particular to their local areas and to enable them to support specific objectives to promote community, social and economic development, urban planning.

The regulations to be made under this section will specify the maximum percentage of waiver and other matters particular to the operation of alleviation schemes, which may include time period applying to schemes, the process and sequencing to be followed, public consultation and the review and report on completion of schemes. The Elected Members will have discretion to introduce waiver schemes that support objectives outlined in the City Development Plan, local area plans, the Local Economic and Community Plan or the National Planning Framework. Section 15 was commenced on 1st January 2024. Dublin City Council understands that the intention of the Department of Housing is that **section 15 will apply from 2025 for rates waiver schemes**. The making of such a scheme must be closely aligned to the preparation of the draft budget for the financial year. Dublin City Council await the details of the ICOB scheme and as such the numbers of eligible ratepayers cannot be confirmed at this time. Section 15 of the Act is set out below for information purposes.

Section 15:

- 1) Subject to subsection (4) and in accordance with such regulations as may be made under this section, a local authority may make a scheme providing for the waiver by the authority of all or a portion of the rates due to it by ratepayers in order to support the following
 - a. the implementation of the National Spatial Strategy within the meaning of the Act of 2000
 - b. the implementing of a development plan within the meaning of the Act of 2000
 - c. the implementation of a local area plan within the meaning of the Act of 2000
 - d. the implementation of a local economic and community plan within the meaning of the Act of 2001
- (2) The making of a scheme under this section shall be a reserved function within the meaning of the Act of 2001
- (3) A local authority may amend a scheme under this section
- (4) A local authority shall not make a scheme under this section until the adjustment period within the meaning of section 20 of the Act of 2014 ceases for every specified area within its administration area of the authority
- (5) The Minister may make regulations for the purposes of this section and in particular but without prejudice to the foregoing regulations under this section may make provision in relation to all or any of the following matters:
 - a. the specification of the maximum percentage of rates that may be waived by a local authority under this section
 - b. the period in relation to which a scheme may be made and
 - c. any other matters which appear to the Minister to be necessary or expedient for the purposes of this section.