



Mr. Kevin Duffy,
Chairman,
Expert Commission on Domestic Public Water Services,
Dáil Éireann,
Leinster House,
Kildare Street,
Dublin 2

19th July, 2016

Re: Irish Water Rates

Dear Mr. Duffy,

At the meeting of the Finance Strategic Policy Committee of Dublin City Council held on 16th June 2016, the following motion was tabled for discussion:

"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"

Following debate of this motion, it was agreed that the contents of this motion with an accompanying report (copy attached) would be brought to the Expert Commission's / Department's attention for consideration.

The next meeting of the Committee is scheduled to take place on Thursday 15th September and a response to the issue raised in this motion and report would be appreciated in advance of this date. This matter is of extreme urgency and materiality to the 2017 Budget.

Yours sincerely,



**Councillor Ruairi McGinley,
Chairperson, Finance Strategic Policy Committee**

Cc John McCarthy, Secretary General, Department of Housing, Planning & Local Government



Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

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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, Micheál 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