

DUBLIN CITY COUNCIL
MOTOR TAX OFFICE

CHIEF EXECUTIVE REPORT

MOTOR TAX EFFICIENCY RECOMMENDATIONS

APRIL 2016



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INTRODUCTION

Dublin City Council provides the Motor Tax service for the four Dublin Local authorities. Since 2015, this service has been provided from one office Smithfield, Dublin 7. The three other Motor Tax Offices were closed on a phased basis, Nutgrove April 2012, Clondakin December 2013 & Ballymun 2014. The closure of these Motor Tax Offices resulted from the stated objectives of the Local Government Efficiency Review process which established a need for rationalisation of the Motor Tax Service and the reduction in business levels across the 4 Motor Tax Offices. The direct cost for the provision of Motor Tax services across the four offices in 2011 was €10.5million. The rationalisation resulted in a total annual saving of €5.6 million for Dublin City Council and allowed for a number of staff to be redeployed across the organisation.

The City Council has the highest level of MTOL transactions with 83% online (Pin Business) in 2015 and further improvements in 2016 to 85%. This is significantly higher than other Local Authorities and is not expected to increase materially over the coming years without facilitating those transactions currently not provided for online.

It is not envisaged the further economies of scale and associated reductions in the cost base can be achieved without introducing technological changes to facilitate those transactions that are currently not provided with an on line solution and this report outlines proposals in regard to opportunities for consideration.

The budget for Motor Tax, Smithfield for 2016 is €4.9million and since funding changes with the Local Government Fund and introduction of the Local Property Tax, the City Council raises the funding primarily through commercial rates. There is currently 68 staff working in Smithfield re the provision of Motor Tax services.

This report will show the operational and administrative work being provided by Dublin City Council in delivering Motor Tax services. I understand that the Comptroller and Auditor General / Local Government Audit value for money unit have conducted a review of the national provision of Motor Tax services but await the outcome of this review.

This report will also highlight a number of recommendations that could potentially improve online access and improve the efficiency of motor tax office services / cost base and should be considered by both the Department of the Environment, Community and Local Government and the Department of Transport, Tourism and Sport.

The Motor Tax Service is delivered by two sections (1) Motor Tax Operations that manages front line services & (2) Motor Tax Administration that manages all back office administrative work, facilities and support.

MOTOR TAX OPERATIONS

This section comprises of 47 staff that provide the frontline public services for all Motor Tax enquiries (Cashier Counters, Postal Applications & Telephone Applications). Detailed below is a snapshot on the level of callers to the office, postal correspondence and monetary transactions for 2015.

- €12,671,321 in cash transactions & €17,981,461 in credit card transactions.
- 150,160 members of the public who visited Smithfield in 2015, an average of 12,513 per mth
- 109,215 postal correspondences received in Smithfield for 2015.

Appendix 3, Page 10 shows more detail on the total number of Motor Tax transactions for 2015, breakdown per month of the cash/credit card transactions and a comparison against 2013/2014.

Appendix 4, page 11 shows the total number of transactions & revenue generated for 2015 with a comparison against 2014 when there was two offices open Smithfield & Ballymun.

MOTOR TAX ONLINE

At the moment Dublin City & County has the highest number of customers availing of the Motor Tax Online service at 81% of Pin Business for 2015. This figure is incrementally increasing in 2016 for Dublin City & County. Table A shows the % increase in the online service from 2010 – 2015. Table B gives a monthly breakdown analysis for 2015.

TABLE A

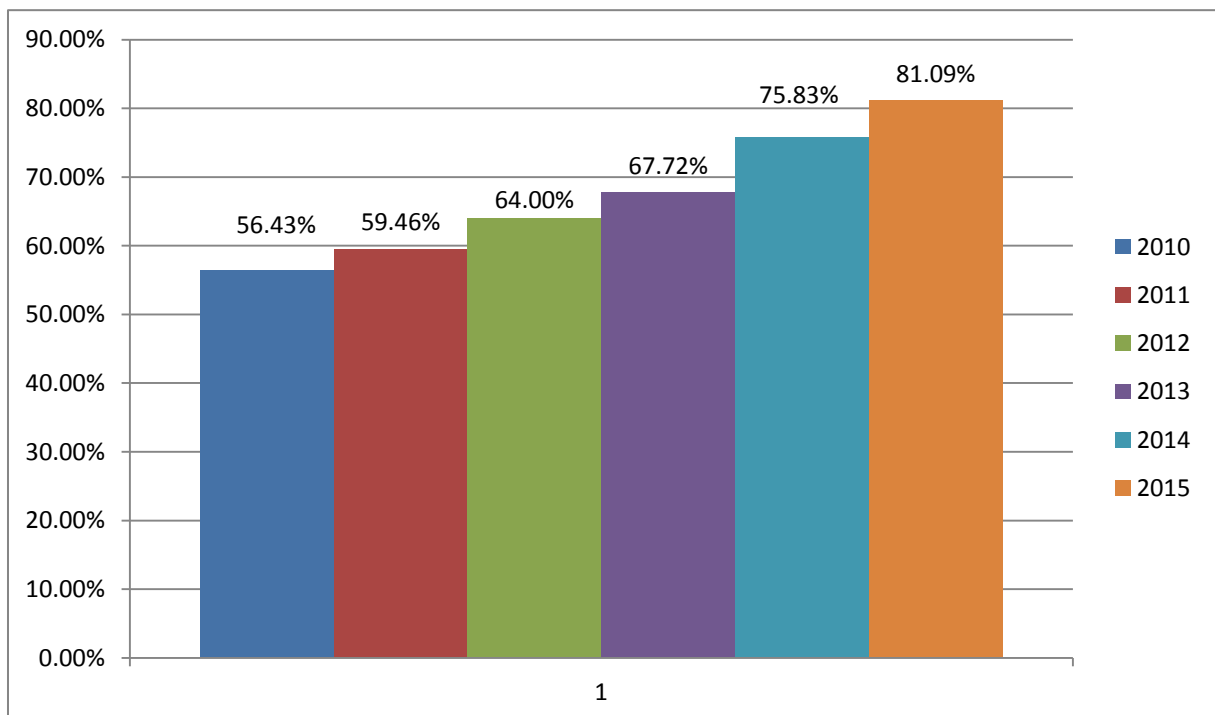


TABLE B

Month	%	Month	%
January	80.84%	July	81.67%
February	79.89%	August	81.33%
March	81.00%	September	81.49%
April	79.64%	October	82.72%
May	80.39%	November	84.16%
June	81.42%	December	81.67%

The following tax classes detailed below are available and can be completed through www.motortax.ie

- Private Cars
- Motorcycles
- Agricultural Tractors, Excavators/Diggers, and Combine Harvesters
- General Haulage Tractors
- Dumpers, Off Road Dumpers and Forklifts
- Hearses
- Vehicles adapted for use by disabled persons
- Vintage/Veteran Vehicles
- Motor Caravans (renewal only)
- Mobile Machines (renewal only)
- Commercial Vehicles (renewal only)

Following examination and further discussion with the Motor Tax executive, Appendix 1, Page 7 lists Motor Tax Applications that cannot currently be done on line. It also shows possible solutions that would allow these transactions to be carried out on line in the future pending their successful implementation and upgrades to the Motor Tax Online system. The Motor Tax Online system is centrally managed by DVCSD (Driver & Vehicle Computer Services Division), Department of Transport, Shannon, Co. Clare.

As part of the efficiency study, a detailed review of all transactions was undertaken on Tuesday, 1st March 2016. There were 793 callers in the Motor Tax Office. Of the 793 callers, 582 (73% of all transactions) could have availed of the Motor Tax Online service. The remaining 211 had no choice but to call to the Motor Tax Office, as they had no facility to do their transaction online.

The reason or logic for people who continue to call to the Motor Tax Office to pay for their vehicle tax cannot be fully explained. The opinion of Motor Tax staff on why people continue to call are, they are unable do it online, they have no access to the online system, they want to pay in cash and/or they want the physical disc in their possession immediately after payment.

MOTOR TAX ADMINISTRATION

Administration has 21 staff that provides a number of specific services required under Motor Tax legislation. Detailed below are the different areas of work being provided within the Administration Unit. Appendix 2, Page 9 shows the levels of activity within this area for 2015.

GENERAL MOTOR TAX/GARDA ENQUIRIES

This section corresponds & communicates with the Gardaí, State Agencies, Solicitors and Local Authorities for vehicle enquiries and gathering information, application forms and documents required for court cases. All staff within this unit are Authorised Officers, per Section 87, Finance Act 1994. The Authorised Officers' are required to attend court on both criminal and civil cases, sign official court documentation and issue correspondence.

There were 40 court cases in 2015 that staff were required to attend by official court summons. The acceptance by the Court Service of electronic records rather than paper records would further enhance the efficiency of the Motor Tax Service. The services provided could be centralised nationally and come under the remit of one central agency.

MOTOR TAX ACCOUNTS

This section has responsibility for the monitoring and maintenance of the Motor Tax Accounts. On a daily, weekly & monthly basis they must ensure all monies receipted are correctly lodged, accounted and balanced. They check and approve daily transfers to Local Government Fund. At the end of every month, the accounts are submitted to the Department of Environment.

All Motor Tax refunds on vehicles are carried out within this unit. The refunds fall under a number of different categories that are set by legislation. The bulk of this work would cease if these services were done by one central agency or through an online service provided by Motor Tax Online. The level of refunds issued as a result of errors in the online service accounts for 80% approx of the refunds issued by the Motor Tax Office, Smithfield. The provision of this service by Smithfield Motor Tax for DVCS in Shannon should be discontinued.

INTERNAL AUDIT

This section carries out audits on all aspects of Motor Tax business both operational and administrative. This work ensures that we have appropriate corporate governance and practices in place. These audits take place independent to the work of the Local Government Auditor & DCC, Internal Audit.

ADMINISTRATIVE/IT/BUDGETS

The section are responsible for the preparation/monitoring of Motor Tax Annual budget, maintenance/support of IT systems, purchasing, accounts and HR function for Motor Tax.

RECOMMENDATIONS

In order to further improve the efficiency of the Motor Tax Online services the proposals outlined in Appendix 1 need further consultation and consideration with relevant bodies. The effect of broadening the online platform to allow more transactions to be carried out in this manner would reduce the need for public callers to the Motor Tax Office.

In addition to those online proposals listed in Appendix 1, further consideration should be given to the following measures:

- Apply a levy to customers who wish to call to the Motor Tax Office.
- Motor Tax can be paid annually, bi annually or quarterly, see Appendix 4.1, Page 11. Consideration should be given to abolishing the quarterly option. The cost of taxing private motor vehicles has significantly reduced since 2008, as a result of lower tax bands based on emissions.
- The remaining bi-annual & annual taxing could significantly reduce the number of callers to the Motor Tax Office. Management would be able to estimate more accurately when the service would have high/low peaks and deploy resources accordingly.
- Discontinue accepting cash payments which currently are facilitating the cash economy and brings additional associated costs.
- Cease the provision of back office service by Motor Tax Offices for Motor Tax Online, Dept of Transport, in relation to issuing of duplicate discs, refunds, change of ownerships. Consideration could be given by government to form a Central Agency to administer the back office work for Motor Tax services nationally.
- If Dublin City Council were to only provide a front office service only (issuing of Tax Disc) and demand reduced on current levels following implementation of measures, then amalgamate the service into the Customer Service Centre.
- Adopt the same approach as the UK and eliminate the need for issuing of tax discs.

Fintan Moran

Head of Management Accounting

APPENDIX 1

ITEM	NUMBERS TAXED 2015	VEHICLES	DOCUMENTATION REQUIRED	SOLUTION
1	11,441	Taxis (small public service vehicle - max 8 passengers)	PSV Licence from Transportation Authority	National Transport Authority to update NVDF with PSV cert number same as CVRT pass certs
2	2,478	Large Public Service Vehicles (more than 8 passengers – minibus, coach, double-decker)	LPSV from Garda Carriage Office	Licence is currently handwritten. Gardaí to upgrade to computerised certs and update NVDF with LPSV cert number same as CVRT pass certs
3	43,700	1 st taxing of light commercial vehicles (Gross weight of 3,500 kgs or less). Vans, Jeeps, etc	Form RF111A (Goods Only Dec), Insurance Cert and weight docket.	Abandon RF111A. Rely on Garda enforcement. Use Gross Vehicle Weight to determine tax liability. Revenue uploads this info to NVDF when issuing reg number so no need for submission of weight docket.
4		1 st taxing of heavy commercial vehicles (3,501 kgs or heavier) Trucks, Cement Mixers, Artics, etc.	Form RF111A (Goods Only Dec), Insurance Cert and weight docket.	Use Gross Vehicle Weight to determine tax liability. Revenue uploads this info to NVDF when issuing reg number so no need for submission of weight docket.
5	No figures	1 st taxing of Vehicles adapted for transport of disabled drivers or passengers	Cert of Approval from Revenue	Revenue to update “Exempt” status on NVDF in all cases.
6	822	1 st taxing of mobile machine (Vehicle with a machine, Hoist/Crane permanently attached – does not carry goods.	Vehicle Inspection or photos to be submitted	Abolish Tax Class and revert to Goods Tax Class based on gross vehicle weight, per Item 3/4.
7		1 st taxing of Recovery Vehicle (Tow Truck)	Vehicle Inspection and Declaration Form	Abolish Tax Class and revert to Goods Tax Class based on gross vehicle weight, per Item 3/4.
8	511	1 st taxing of Motor Caravan	Declaration Form for Motor Caravan. Inspection or photos are required.	Approved Tester to confirm vehicle meets the criteria and upload to NVDF same as CVRT pass certs
9	314	1 st taxing of Youth & Community Bus Minibuses used by not for profit Groups/Schools to transport members/clients to activities of the Group	Declaration Form for Youth & Community Bus. Inspection or photos are required	Approved Tester to confirm vehicle meets the criteria and upload to NVDF same as CVRT pass certs Central Agency on submission of paperwork from organisation.

10		Ambulance – Emergency Response Vehicle	Ambulance Declaration form. Inspection or photos are required	Approved Tester to confirm vehicle meets the criteria and upload to NVDF same as CVRT pass certs.
11	489	School Bus. Bus used only for bringing children to and from school in areas where public transport is poor.	Contract with Dublin Bus/Bus Eireann or Article 60 PSV from Garda Carriage Office	Abolish Tax Class and change to LPSV, per Item No. 2.
12	3,808	Replacement Tax Disc	Form RF134 stamped at Garda Station	Apply to MTOL – self declaration.
13	1,000	Converted Vehicles. E.G. Vehicles where seats are added or removed which can change tax class from “Goods” to “Private” or vice versa.	Conversion form completed and signed by Approved Vehicle Tester	Approved Tester to recommend changes to Revenue who would update NVDF.
14	No figures	Vehicles previously exported and returning to Ireland	Confirmation of VIN and foreign Reg Cert	Deal directly with Revenue/NCT who would reactivate the reg number for the vehicle and instruct DVCS D to issue a VRC.
15	No figures	Diplomatic tax discs	Diplomatic ID Card	Dept of Foreign Affairs to supply list of Diplomats and vehicles to DVCS D to update NVDF.
16	1,007	Trade Plates for Motor Dealers. Allows dealer to drive a vehicle in his possession for sale or repair without a current tax disc. Plates are placed inside front & back windows of car being driven.	Insurance Cert, Rates Number, Letter from Landlord	Service could be run from DVCS D if existing plastic Plates were changed to smaller card for posting
17	601	Issuing Trailer Licence Cards for “goods” trailers with gross weight in excess of 3,500 kgs e.g. trailer being pulled by an articulated tractor unit.	Certificate of conformity from trailer manufacturer	Service could be run from DVCS D

APPENDIX 2

Detailed below is correspondence activity within General Motor Tax/Garda Enquiries for 2015.

	E-Mails	CT 53's	Reg Particulars	RF 200	S103's	Duplicate Book's	Rejects	Tax Correspondence	Policy	Counter	Phones
Jan	322	933	237	27	380	554	66	120	349	125	944
Feb	216	942	242	24	403	478	70	65	284	108	656
Mar	349	1013	171	53	195	881	53	159	218	70	751
Apr	407	649	234	36	590	217	72	75	287	83	1002
May	343	1551	232	21	529	429	51	66	318	67	827
Jun	346	778	221	23	580	753	69	91	486	60	922
Jul	371	474	197	40	322	898	64	100	355	87	1083
Aug	326	1040	216	47	406	740	55	62	326	72	823
Sep	319	979	227	47	361	792	89	132	355	62	954
Oct	265	1098	231	33	637	549	315	92	555	77	951
Nov	267	528	259	40	448	753	69	95	476	82	803
Dec	155	1434	245	15	555	464	71	40	228	78	670
Total	3686	11419	2712	406	5406	7508	1044	1097	4237	971	10386

- CT53 – These are issued to An Garda Siochana in relation to Road Traffic Offences. The information is provided and signed by an Authorised Officer.
- RF200 – These are change of ownerships request for vehicles that have the old brown log book. The unit update the NVDF system and issue a new log book to the customer.
- S103 – These are issued to other Dublin Local Authorities and sections within Dublin City Council. They are issued per legislation that must be stated on every request and signed by an Authorised Officer.
- Reg Particulars – These are issued to solicitors on foot of a request in relation to Road Traffic Offences. There is a €6 fee per request and correspondence is signed by an Authorised Officer.

APPENDIX 3

Cash/Credit Card transactions for Motor Tax, Smithfield over the past 3 years & including first 2 months of 2016. The figure for Credit Cards is higher due to the volume of postal Motor Tax applications that are processed.

Cash Smithfield

	2016	2015	2014	2013
January	1,066,678	€1,180,121	€929,385.00	€701,321.00
February	1,048,184	€1,130,493	€795,931.00	€651,836.00
March		€1,211,809	€813,485.00	€578,772.00
April		€1,118,251	€787,547.00	€669,376.00
May		€1,024,912	€745,718.00	€681,894.00
June		€1,134,256	€768,373.00	€606,966.00
July		€1,134,237	€777,650.00	€622,636.00
August		€997,294	€662,828.00	€633,101.00
September		€985,841	€738,403.00	€693,060.00
October		€1,011,043	€766,647.00	€603,456.00
November		€1,005,405	€694,022.00	€429,304.00
December		€737,659	€588,714.00	€441,492.00
Totals	2,114,862	€12,671,321	€9,068,703.00	€7,313,214.00

Credit Card Smithfield

	2016	2015	2014	2013
January	1,350,562	€1,534,362	€1,221,937.00	€930,883.00
February	1,494,964	€1,591,170	€1,126,915.00	€947,011.00
March		€1,634,084	€1,208,088.00	€911,543.00
April		€1,760,580	€1,213,301.00	€1,024,713.00
May		€1,568,107	€1,329,095.00	€1,038,088.00
June		€1,437,910	€1,071,926.00	€868,868.00
July		€1,714,409	€1,360,565.00	€944,542.00
August		€1,349,260	€1,168,514.00	€1,050,665.00
September		€1,486,457	€1,166,451.00	€848,391.00
October		€1,479,959	€1,220,388.00	€931,763.00
November		€1,249,294	€1,052,378.00	€887,459.00
December		€1,175,869	€873,515.00	€690,862.00
Totals	2,845,526	€17,981,461	€14,013,073.00	€11,074,788.00

APPENDIX 4.0

The table below shows the total number of transactions & revenue generated for 2015 with a comparison against 2014 when there was two offices open Smithfield & Ballymun. The miscellaneous transactions would be the following;

- Tax Arrears
- Replacement VLC Books
- Trailer Licenses
- Replacement Trailer Licenses
- Enquiry Fees
- Miscellaneous Fees

Category	2015 Transactions	2014 Transactions	Diff	% Diff
Vehicle Tax Discs	222,488	280,429	-57,941	-20.66%
Miscellaneous Transactions	68,874	87,171	-18,297	-20.99%
Total per Transactions	291,362	367,600	-76,238	-20.74%
Total € Value	€56,131,238	€72,888,814	-€16,757,576	-22.99%

APPENDIX 4.1

The table below shows a trend for how people are taxing their vehicle in the Dublin region.

Category	2015	2014	2013	2012
Annual	47.62%	43.27%	37.72%	37.39%
Bi-Annual	12.91%	13.47%	13.60%	13.39%
Quarterly	39.47%	43.26%	48.68%	49.22%