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Report to the Finance Strategic Policy Committee

Re: Report of the Value for Money Unit of the Local Government Audit Service An Overview of Commercial Rates in Local Authorities

Rate Collection in Dublin City Council

Dublin City Council carefully uses available resources to provide services for the City. Much deliberation is given to the setting of the commercial rate in order to support competitiveness in the economy, nationally and locally, and also to sustain the commercial rate base within the City. It should be noted that the City Council's 2019 revenue budget is 35% funded by commercial rates and therefore the performance on rate collection is important to the funding provision of services.

The economic downturn and subsequent recession post 2008 significantly impacted the level of rates arrears owing to DCC, at the highest value of €76.3M in 2012. The reduction in arrears to €32.4M in 2017 is primarily due to an improvement in the annual collection, a focused debt management approach, improvement in economic factors and the conclusion of liquidation / receivership cases. Performance data on rates collection for the financial year 2018 will be brought to the Finance SPC at the March meeting.

Commercial rates, vacancy related or otherwise, are pursued until payment is made. Consequently the payment timeline varies based on how quickly the debt is discharged. Dublin City Council seeks that all liabilities including rates are discharged promptly for cash flow purposes and efficiency to minimise resource usage.

National Review of Rate Collection by LGAS

The Value for Money Unit of the Local Government Audit Service published a report: An overview of Commercial Rates in Local Authorities in December 2018. The report reviews the collection of commercial rates nationally. The report is prepared mainly using data from 2015-2017. Given the importance of rates to the provision of services, the report is brought to the attention of the SPC members.

Key issues

Key issues highlighted by the report are:

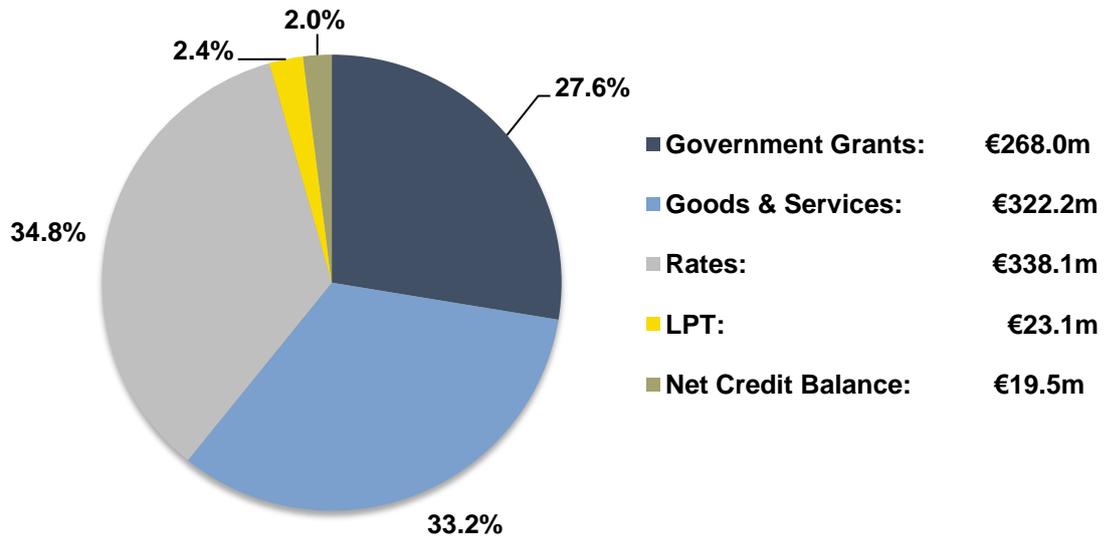
- Collection levels
- Arrears management
- Role of the Valuation Office

Kathy Quinn

Head of Finance

With Responsibility for Information & Communications Technology

Estimated Sources of Funding 2019



Total	€970.9m
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