



Comhairle Cathrach  
Bhaile Átha Cliath  
Dublin City Council

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## **Finance Strategic Policy Committee (SPC) 2019 – 2024 Terms of Reference**

### ***Background***

The Finance Strategic Policy Committee (SPC) was introduced following major changes applied to local government through the introduction of the Local Government Act 2001. The Finance SPC replaced the former Coisde Airgeadais. Following three terms, it is considered timely to review the Terms of Reference of the Strategic Policy Committee as a new committee of Elected Members and external interests are formed.

### ***Context of the Incoming Finance Strategic Policy Committee***

The financial context of Dublin City Council is complex. Demand for services is increasing with service users (businesses, residents, visitors) having greater expectations than previously. In parallel there is a perspective that local authority charges should have little or preferably no increase, whether with inflation or to reflect an increased cost for increasingly developed services. This clash, that is of flat or reducing income against increasing expenditure, threatens the potential for service development and indeed continued provision at what would be seen as adequate levels. Dublin City Council seeks to stimulate and encourage debate on the development of a sustainable, reasonable, local government funding model.

### ***LPT***

The LPT funding available to the elected members to consider as part of the budgetary resource allocation process has been below expectations. The LPT framework as applied to Dublin City Council, has not had a favourable outcome in supporting service provision. In particular:

- The net funding available for resource allocation at the discretion of the elected members is 5% of the total LPT basic liability or €4m.
- To date the Elected Members have voted for and applied a 15% reduction to the Basic LPT for Dublin City, thereby reducing householders liability and potential funding for Dublin City Council services.
- Dublin City Council contributes 20% of its LPT receipts to the National Equalisation Fund – a fund that Dublin City Council funds but never receives (this fund benefits rural local authorities).
- Circa 40% of LPT receipts have replaced grant funding for DCC.

- The experience of DCC is in sharp contrast to rural local authorities, being net beneficiaries of the National Equalisation Fund and also in receipt of existing government grants.

### ***Brexit***

It is not yet clear as to the substance and form of Brexit and indeed it's financial, social, cultural and political impact. It may be appropriate for this SPC to give due consideration to the financial consequences of Brexit, on a rolling review basis.

### ***Business focus***

Dublin City Council has adopted a hugely pro-business stance over the last decade with regard to Commercial Rates. There have been no or modest increases to the Annual Rate on Valuation each year. This brings benefits to rate payers in that rates liabilities have been broadly constant. That said, it may be opportune to consider the benefits that could accrue to business from a focused application of monies generated from planned, minimal value rate increases. Sustained economic growth provides a platform for community and social development.

Amending rating legislation, The Local Government Rates and Other Matters Act, was introduced in 2019. Dublin City Council wishes to make best use of the revised provisions.

There has been commentary on potential changes to the rating framework to reference environmental factors in the valuation for rating purposes of commercial property. Dublin City Council seeks to contribute to the development of rating policy and to ensure that businesses are supported through the change process.

### ***Governance***

There is greater scrutiny than ever before, from the public, media and central government on how local government uses its resources. This places an obligation on Dublin City Council and the Elected Members to ensure that public money is spent in the most effective and efficient manner, aiming to ensure confidence in the process and effectiveness of service delivery.

Dublin City Council acknowledges the contribution made by the National Oversight and Audit Commission (NOAC) to transparency, accountability and governance in the local government sector.

Dublin City Council recognises the benefits gained from adopting transparency as a key driver in resource management. Transparency builds trust which in turn supports the local democratic framework.

### ***Objectives of the Finance Strategic Policy Committee***

The key strands for the Committee to focus on are:

1. Transparency, accountability and governance in expenditure and resourcing.
2. Review of collection of debts due to Dublin City Council.
3. Securing quality of service and value for money.
4. Promoting social and economic prosperity.
5. Sustainable local government funding.
6. Community development.

**1. Transparency, accountability and governance in expenditure and resourcing.**

The Finance SPC will scrutinise past spending and proposed future financing of Dublin City Council's departments. It will work to ensure that Elected Members and the public fully understand the revenue sources and expenditure decisions of Dublin City Council. Finance SPC will assess the adequacy of corporate governance arrangements and examine companies which Dublin City Council own or in which have a shareholding. The SPC will consider the feasibility of a system to monitor legislation going through the Dail.

As appropriate to the committee's scope, the committee will, as work programme items, review NOAC reports and make policy recommendations when necessary. The committee will also develop clear unambiguous communication to services users on DCC's resource allocation. The SPC will consider monitoring systems for legislation going through the Dail.

**2. Review of collection of debts due to Dublin City Council.**

The Finance SPC will scrutinise the collection performance of Dublin City Council debts, across both the revenue (operational) and capital (investment) activities. Dublin City Council services support the functioning of the City and all monies properly owed to the City contribute to the service provision. Also it is accepted that from an equity perspective, the Council must pursue those who do not discharge their debts to Dublin City Council and to acknowledge the efforts made by those who meet their Dublin City Council liabilities.

The Finance SPC will periodically review, as a work programme item, all debt areas including Commercial Rates, housing rents, housing loans, development contributions and government debtors.

**3. Securing quality of service and value for money.**

The Finance SPC will consider value for money reviews on specific areas; such reviews will incorporate a review of all resources – labour, materials, support, buildings and information systems. Following on and in consultation with management and employees, the SPC will recommend indicators to monitor and improve areas of Council expenditure to ensure quality of service and value for money outcomes. Additionally, in consultation with management and employees, the Finance SPC will oversee the implementation of quality of service and value for money reforms in all areas of council service provision. Internal Audit Unit may, from time to time, table VFM Reports that it conducts. The committee will encourage the develop of information sharing initiatives across local authorities and the development of a network of meetings with larger Local authorities on common issues to share good practice.

The SPC will, as work programme items, receive presentations of reports on high level efficiency reviews in either Dublin City Council or Dublin local authorities in general. The SPC will monitor the development of information sharing initiatives and inter local authority networks.

**4. Promoting social and economic prosperity**

Within the City, some sectors are performing strongly, bringing increased employment, while other sectors are trading less dynamically as many factors impact on demand and the trading environment. In recent years, there has been

an expansion of e-retailing and a growing digital economy. There are both risks and opportunities attaching to the broadening of retail which would benefit from consideration.

The Finance SPC will examine as a work programme item how changing retailing and digital trends might impact on DCC and consider policy recommendations that would secure the best outcome for Dublin City.

This committee will gain, as a work programme item, an understanding of the Local Government Rates and Other Matters Act 2019, including opportunities and threads it presents to DCC.

This committee will make contributions, as a work programme item, to the development of rating policy regarding environmental factors and will recommend policies to assist businesses.

This committee consider opportunities for regeneration that may be financed through the Council of Europe Development Bank, EIB, HFA and other financing institutions. The SPC will, as a work programme item examine regeneration financing options.

This committee recognises the benefits from tourism. In equal part, it is also recognised that there is a demand on City facilities and services to meet this industry. It is acknowledged worldwide that it is appropriate and reasonable to charge visitors, in some way, for the services and facilities provided. This committee will examine the introduction of a transient visitor levy (TVL), in Dublin and will seek to gain government support for this measure.

The SPC will, as a work programme item, propose to Government the supporting framework for the introduction of a transient victor levy (TVL) should be provided.

## **5. Sustainable local government funding.**

The Finance SPC will exploit opportunities to advocate for legislative changes needed for Dublin City Council to secure enduring stable revenue streams. The Finance SPC will monitor the operations of funding sources from the DHPLG, LPT, Commercial Rates and other charges to ensure that significant trends arising are addressed.

This committee will, as a work programme item, develop and support a campaign for sustainable local government funding, involving stakeholders across the local government sector and business.

## **6. Community Development.**

The Finance SPC will examine the feasibility of the introduction of participatory budgeting. Issues such as the involvement of all groups, community and business, the statutory role of the elected council, the engagement benefits that can be achieved and the nature of impact on the elected democratic structures.

This committee will, as a work programme item, consider the feasibility of the introduction of participatory budgeting on a pilot basis.

The Finance SPC will progress the development of social based initiatives in the procurement framework so as to maximise the potential opportunities for local employment and trade.

This committee will, as a work programme item, examine opportunities to implement social based procurement related initiatives.

The Finance SPC recognises the scarcity of capital resources available to DCC. The SPC will examine the feasibility of using crowdfunding as a funding source for certain DCC capital projects so as to maximise investment in local facilities and services. Focus will also be given to aligning crowd funded projects to facilities operated on a social enterprise basis.

This committee will, as a work programme item, examine the feasibility of using crowdfunding for DCC capital projects opportunities and aligning crowd funded projects to social enterprise opportunities.

### ***Meetings***

The Finance SPC will meet every two months or at least four times per year. The quorum necessary for the transaction of business shall be six members, at least four of whom must be elected members. A schedule of meetings will be agreed at the start of each year.

Meeting documentation (agenda, minutes and reports) will, where possible, be circulated to Committee Members no later than one week in advance.

### ***Committee Membership***

The Finance SPC will consist of eighteen members, twelve of whom will be Elected Members of the City Council and six will be external members. Appointments to the Committee, where possible, shall be for the duration of the elected council.

### ***Working Procedures***

The Committee will adopt Dublin City Council's Standing Orders as its working procedure. The Committee will adopt a multi-annual work programme linked to the Council's Corporate Plan, which will be updated as necessary.

A copy of the breviates of the business of each meeting will be included on the agenda of the next meeting of the City Council.

### ***Induction Training***

New members will receive all relevant information training and briefings on their appointment to enable them to meet their Committee responsibilities.

**Cllr Seamus MacGrattan**

**Chairperson**

**Finance & Emergency Services Strategic Policy Committee**

**November 2019**

### Multi annual Work Programme of the Finance SPC 2019 to 2024

Item	Issue	Priority
1	The Finance SPC will examine how changing retailing and digital trends might impact on DCC and consider policy recommendations that would secure the best outcome for Dublin City.	
2	This committee will gain an understanding of the Local Government Rates and Other Matters Act 2019, including opportunities and threads it presents to DCC.	
3	This committee will make contributions to the development of rating policy regarding environmental factors and will recommend policies to assist businesses.	
4	This committee will develop and support a campaign for sustainable local government funding, involving stakeholders across the local government sector and business.	
5	As appropriate to the committee's scope, the committee will, as a work programme item, review NOAC reports and make policy recommendations when necessary.	
6	The committee will develop clear unambiguous communication to services users on DCC's resource allocation.	
7	The SPC will consider monitoring systems for legislation going through the Dail.	
8	The Finance SPC will periodically review, as a work programme item, all debt areas including Commercial Rates, housing rents, housing loans, development contributions and government debtors.	
9	The SPC will receive presentations, as a work programme item, of reports on high level efficiency reviews in either Dublin City Council or Dublin local authorities in general.	
10	The SPC will monitor the development of information sharing initiatives and inter local authority networks.	
11	This committee will, consider the feasibility of the introduction of participatory budgeting on a pilot basis.	
12	This committee will, as a work programme item, examine opportunities to implement social based procurement related initiatives.	
13	The SPC will examine regeneration financing options.	
14	The SPC will propose to Government the supporting framework for the introduction of a transient visitor levy (TVL) should be provided	
15	The SPC will examine the feasibility of using crowdfunding for DCC capital projects opportunities and aligning crowd funded projects to social enterprise opportunities.	