

## Finance Strategic Policy Committee

### Minutes of Meeting Held 16<sup>th</sup> January 2020

#### 1. Draft Minutes of the Finance SPC meeting held on 21<sup>st</sup> November 2019

The draft minutes were proposed by Cllr N. Reilly and seconded by Cllr. D. Barron. The minutes were agreed.

**Agreed:** It was further agreed that the Chair Cllr. McGrattan would meet with E. Fleming to advance the issue of bogus self-employed contractors.

#### 2. Correspondence:

- a) LPT Decision deadline – letter from Dun Laoghaire Rathdown County Council – October 21<sup>st</sup> 2019 – correspondence noted.

**Agreed:** It was agreed that the Committee would write again to the incoming Minister for Housing, Planning & Local Government on their appointment following the General Election.

- b) Housing Rents Deduction from Social Welfare Payments – Letter to Minister Murphy from Joint Chairs of the Finance and Housing SPCs – correspondence noted

- c) Housing Rents deductions from Social Welfare Payments – Minister's Murphy's office responses – correspondence noted.

**Agreed:** It was agreed that the Committee would correspond with the incoming Minister for Housing Planning & Local Government on their appointment following the General Election.

#### 3. Housing Rent Arrears – Presentation

R. Kenny, Executive Manager, Housing and Community Services Department, made a presentation to the Committee on the current position regarding housing rent arrears. The presentation was noted. The following issues were noted in the discussions that followed:

- Detail of payment methods available to tenants.
- Facility to make fortnightly payments.
- Implications/penalties incurred for non-payment.
- Timeline for recovery process to commence.
- Impact that €34m arrears figure has had on other local services.
- Consideration of an external audit to be carried out on rent collections.
- Impact that the introduction DEASP Infosys replacement "LAVA" will have.
- Number of evictions.
- Consideration of incentivising those who make regular payments.
- Numbers of tenants who don't engage.
- Level of adherence to recovery procedures.

At the conclusion of this item, it was noted that two working groups have been established by the Housing SPC to advance improvements in this area. It was further noted that the number of tenancy warnings will need to improve.

#### 4. Rates Act 2019

Deirdre Murphy, Senior Executive Officer, Rates Office, made a detailed presentation on the Local Government Rates and Other Matters Act 2019. This presentation provided an overview and explanatory note on the new legislation highlighting the key features. It covered the following area:

- Background to the need for new legislation
- Intention of original Draft Bill 2017
- Inclusion of changes to the Residential Tenancies legislation
- Inclusion of amendments to the Planning Acts

Key features of the new legislation are as follows:

**Section 4** – Additions/Amendments to the Valuation list become effective immediately, One Moiety, Pro-Rata Levying of Rates, E-billing.

**Section 5** – Publishing and storing of rate book in electronic format, provision of login credentials to individual ratepayers, Local Authority may cease the practice of preparation of a rate book.

**Sections 7 & 8** – Allows the offsetting by the Local Authority of rates owing against amounts owed to the ratepayer, provision that the collection of rates and interest due are under the care and management of the Local Authority.

**Section 9** – provision of the abatement of rates in respect of vacant properties.

**Section 10** – power given to Local Authorities to establish a database of relevant properties.

**Section 11** – obligation on owners and occupiers to inform the Local Authority of the transfer of relevant property.

**Section 12** – power to apply interest on unpaid rates. Following positive engagement, interest would accrue from 1<sup>st</sup> January of the following year.

**Section 13** – payment of rates on the sale of an owner occupiers' property.

**Section 14** – unpaid rates to be a charge on the relevant property.

**Section 15** – introduction by a Local Authority of a waiver scheme for rates in particular circumstances/sectors. Regulations to be made by the relevant Minister and it will be a reserved function and involve a public consultation.

**Section 16** – Appointment of Authorised Officers by Local Authorities

**Section 17** – Authorised Officers may only enter to inspect vacant properties

It was noted that the Act has not been fully enacted. Procedures to enact Section 15 regarding the introduction of waivers are underway with the DoHP&LG and indications are that regulations will be made in the first quarter of 2020. The commencement of other sections are dependent on full administrative support, upgrades to systems and processes and the introduction of supporting departmental regulations. It was pointed out that there are a significant number of issues to be clarified with the Department.

Following the conclusion of this presentation, the following comments/points were raised:

- Section 15 – Rates Alleviation Schemes – there is a need for consultation with businesses.
- Local Government Financing – there is a need to have a comprehensive review of the funding gap.
- Need to identify the categories of persons/sectors for the introduction of Section 15.
- Details on the interest rate liable to be charged on the non-payment of rates.

- Rates collection compliance for 2019 was 94%.

**Agreed:** At the conclusion of this discussion, it was agreed that a briefing note would be prepared on how the Section 15 Rates Waiver Scheme might be enacted.

## 5. Transient Visitor Levy

K. Quinn, Head of Finance, provided the Committee with a detailed report on the consideration of a visitor levy. This report covered the following areas:

- Context of Tourism in the Dublin Economy
- Basis for consideration of the introduction of a visitor levy
- Local Government Funding limitations and restrictions
- Current Tourism related support and investment
- Concerns of stakeholders in the Tourism Industry
- Matters to consider
- Suggested Approach to progress

The following points were raised/noted:

- Members were in general supportive of the introduction of this levy.
- Concerns were raised by some members regarding the charges already levied on the hotel industry i.e. VAT, Rates and Development Contributions on new hotels.
- Appropriate funding of local government was required.
- Mutual benefit of the levy for visitors and citizens.
- Concerns were raised that the full benefit of the levy would not remain with the City Council citing the example of the Local Property Tax.
- Suggestion made that a percentage charge would be the fairest method.
- Concerns around a potential partnership with Fáilte Ireland.
- Queries around the number of bed nights spent by visitors.
- Widen the collection base for this levy to include the like of Air BnB's, visiting cruise ships etc.
- In tandem with this consultation process, a wider local government revenue raising consultation should be carried out.

K. Quinn confirmed that the potential to create a special purpose vehicle to administer this levy may be considered necessary. It was also noted that the consultation would draw out all the issues regarding who should be liable for this charge. In addition, the title given to the charge would be important.

**Agreed:** At the conclusion of discussions, it was agreed to commence with a consultation process that will assist in understanding the implications, positive and negative of the potential introduction of a visitor levy.

## 6. Motion in the name of Cllr. Dermot Lacey re: Proposal for the provision of public liability insurance being offered to not-for-profit organisations by Dublin City Council through its membership of IPB insurance.

A report prepared by the Chief Executive was circulated and noted.

**Agreed:** It was agreed that this report would stay on the agenda for a future meeting.

Next meeting is scheduled for **Thursday 19<sup>th</sup> March 2020.**

**Members**

Cllr Séamas McGrattan (Chairperson)  
Cllr. Daryl Barron  
Cllr Mary Callaghan  
Cllr Anthony Connaghan  
Cllr. Daithí De Róiste  
Cllr. Alison Gilliland  
Cllr James Geoghegan  
Cllr Dermot Lacey  
Cllr. Paddy McCartan  
Cllr. Noeleen Reilly  
Cllr. Nial Ring  
Jack Daly, Docklands Business Forum  
Eric Fleming, ICTU  
Tara Lillywhite, Dublin Chamber of Commerce  
Dr. Caroline McMullan, DCU  
Philip O'Callaghan, PPN  
Aidan Sweeney, IBEC

**Apologies**

Cllr. Neasa Hourigan

**Officials**

Kathy Quinn, Head of Finance  
Rose Kenny, Executive Manager, Housing and Community Services Department  
Deirdre Murphy, Senior Executive Officer, Rates Office  
Fiona Murphy, Senior Staff Officer, Finance Secretariat  
Sophie Kelly, Asst. Staff Officer, Finance Secretariat  
Noeleen McAdden, Administrative Officer, Rates Office