

Finance Strategic Policy Committee
Minutes of Meeting Held 24th June 2020

Cllr Séamas McGrattan, Chair, commenced the meeting by setting out the protocols that would be adhered to for this remote MS Teams Meeting.

He further welcomed Cllr. Darcy Lonergan to her first meeting of the Finance SPC since her appointment to the Committee in March 2020.

1. Draft Minutes of the Finance SPC meeting held on 16th January 2020

The draft minutes were proposed by Cllr. A. Connaghan and seconded by Cllr. Nial Ring. The minutes were agreed.

2. Matters arising Correspondence:

- a) Housing Rents Arrears – Following agreement at the January 2020 Finance SPC meeting, a joint Housing/Finance SPC sub-group has been established. A progress report will issue to a future Finance SPC meeting.

3. Funding Rates and Local Authority Services

Correspondence to and from Ministers Eoghan Murphy and John Paul Phelan on this matter were circulated to the members. Ministers Murphy was invited to attend the current meeting but was unable to participate.

K. Quinn, Head of Finance, gave an overview of the correspondence and indicated that Dublin City Council are awaiting further clarification and regulations on the implementation of the Rates Waiver Scheme announced in early May 2020. She further referenced to the impact of Covid 19 on income sources such as parking meters, housing rents and Covid related costs.

Budget Consultative Group (BCG)

Agreed: it was agreed to reconvene the BCG. One nomination from each party will be sought.

4. Funding the Maintenance of Dublin City Council's Road Network

D. Collins, A/Executive Manager, Environment and Transportation Department joined the meeting to present a report of this matter. It dealt with the classification of roads and the funding structure around this classification and the business case that has been prepared to seek additional funding for the roads network in Dublin City Council's area.

The report highlighted the increase in road users due to increased economic and tourism activity. Over the period 2011-2018, it was noted that there has been a 20% rise in the number of buses in the city area, 60% increase in the number of pedestrian users and 30% in the number of cyclists. D. Collins pointed out that in order to ensure that the road network does not deteriorate further it is important to achieve the appropriate level of investment in the maintenance of the road infrastructural network thereby consequently reducing the number of personal injury claims being made by the public.

It was further noted that there has been a significant increase in development and construction activity across the city corresponding with an increased movement of heavy goods vehicles. While welcoming this vital construction activity for the development of the city and national economy, it is also having a detrimental effect on the structural condition of the road network. Thus government investment is required to carry out significant remedial works on the road network.

In addition, it was pointed out that permit requests from utilities companies have increased by 20% from 2011 to 2019. The opening of the public road to allow access by the utilities to their infrastructure is further compromising the integrity of the road and footpaths network thus requiring additional frequent and reactive maintenance works by Dublin City Council.

Currently the Road Maintenance Services budget is €12m to deliver their works programme for 2020 with €5.78m of this figure coming from the Local Property Tax allocation. This will deliver circa 14km of resurfaced road which represents only 1% of the entire City's road network. At the current investment levels from government, it would take 100 years to resurface the entire City network. It is therefore imperative that the City Council receives significant additional investment.

At the conclusion of this report, members raised queries and/or noted issues around the following:

- Further information sought on the total area of the road network in Dublin as a proportion of the local property tax allocation nationally
- Query on rise in the National Construction Tender Price Index and its impact on the maintenance budget and the percentage of maintenance carried out by direct labour
- The use of an integrated asset management system is used to monitor and react to potholes and road maintenance needs producing a priority listing
- Clarification that development levies are not used in the Roads Maintenance budget.
- To ascertain what level of investment would be required for an appropriate benchmark budget
- The impact of a pothole on a pedestrian or cyclist is more significant than a car user.
- Acknowledgement of the increase in personal injury claims year on year.
- Confirmation that there is an equal allocation of funding for maintenance across the areas
- Impact of the Covid 19 pandemic whereby pods of Roads Maintenance Teams have been established across the city.
- On the issue of efficiency and economies scale in the use of contractors, it was confirmed that the use of contractors is required where specialist skills such as tarmacadam laying is required.
- Acknowledgement that the volume and type of traffic on any given road should be factored into account as part of the matrix for funding allocation purposes.

Agreed: It was agreed that this report would be sent to the Department of Transport, Tourism and Sport for consideration.

Agreed: It was further agreed that a report will be brought to a future meeting identifying the factors having impact on road maintenance, such as the length and breadth of the carriageway, volume of traffic, type of traffic, local factors and any other relevant factors for more equitable funding.

5. Rates Debtor year end 31st December 2019

Fintan Moran, Head of Management Accounting, presented a report on the schedule of uncollected rates at the end of 2019. This report covered:

- Details on the targeted improvement for rates collections across the local authority sector for 2019 showing a 92.4% target collection for Dublin City Council for 2019, actual collection achieving 94%.
- 35% funding by Commercial Rates of Dublin City Council's revenue budget for 2019.
- Breakdown of the 2019 Commercial Rates income across the electoral areas.
- Details on the level of arrears for 2015-2019.
- Analysis of Dublin City Council's rates collection 2015-2019
- Age profile of the 2019 arrears figure of €23.1m
- Analysis of the 2019 arrears accounts across the range of charges
- Details of the arrears across description categories
- Analysis of the 2019 arrears schedule status
- 2019 Arrears by electoral area

In summation of this presentation, it was noted that the 2020 opening arrears of €23.1m had reduced to €20.3m at 7/3/2020.

Members raised a number of issues at the conclusion of this report as follows:

- An opportunity to analyse local business funding and the current commercial rate modelling as it stands into the future with regard to local government funding in general.
- The significant impact of online retail on businesses with premises. A request for a which would deal with this item and also include the properties that currently have exemptions from rates such as government buildings, agriculture, nursing homes and HSE buildings etc.
- The impact of Covid 19 on the cash flow for businesses
- The impact of Covid 19 on the issue of local government financing.
- The need for clarity on the Rates Waiver Scheme for both businesses and the City Council.
- The impact on businesses and the City Council's rates base of remote working and the future requirement for premises.
- The impact of Covid 19 on the turnover of hotels and pubs based on their current valuations
- The need to make strong representations to the Department of Housing Planning and Local Government.
- Analysis of the types of business applying for the Restart Grant and the impact on which businesses have been most affected.
- Congratulation to the staff of the Rates Office on this high collection level.
- Quicker decision making is required by the City Council

6. **Provision for Rates Alleviation Schemes – Briefing Note**

Deirdre Murphy, Senior Executive Officer, Rates Office, presented a report to the Committee which gave an overview of Section 15 of the Local Government Rates and Other Matters Act 2019 which provides for the introduction of locally targeted rates alleviation schemes. It is a reserved function of the elected members. It was confirmed that Dublin City Council are awaiting regulations to be made available by the Department of Housing, Planning and Local Government which would detail among others:

- Maximum percentage of the waiver
- Time period applying to the scheme
- Process and sequencing to be followed
- Public consultation process

The other consideration to be taken into account are possible software changes to the Rates system and the budget implications of any waiver scheme.

Members noted a number of issues:

- This scheme could be used into the future to encourage economic growth in particular areas of the city.
- Noted that government provides the City Council with the opportunity to reduce taxes on businesses but does not provide corresponding opportunities to raise finances for the city.

Agreed: It was agreed that a request would be made to the Law Agent to provide clarity on whether the City Council can proceed with introducing this scheme without the departmental regulations being in place and if so to set out in a report on how it is envisaged that this scheme will be implemented by Dublin City Council.

7. **Restart Grand Fund**

Antoinette Power, Head of Financial Accounting, presented a briefing report on details of the introduction of the Restart Grant, qualifying criteria, Dublin City Council's approach and current statistics. Also circulated was the Frequently Asked Questions (FAQs).

Taking into account for the potential of 12k-16k business being eligible for this grant, Dublin City Council has worked with a third party provider to provide a backend technical solution to this volume of applications. Funds to the value of €27.6m were received on 15th June 2020 and the Council approved the payment of the first tranche of grants on 23rd June 2020.

K. Quinn noted that the aim was to automate the process thereby providing a quick turnaround on applications and the Council is working hard to provide this new scheme as efficiently as possible.

Members noted the following issues:

- Acknowledged the significant work that has gone into providing this scheme in such a short timeframe.
- A request for a further report on the eligibility and types of businesses applying for this grant
- Concerns over the eligibility of businesses who are currently in arrears on their rates.
- Further details on the eligibility exclusions from this grant fund

- Concerns over the low application levels for this grant and the effective communication required by government to provide clarity on eligibility.
- Confirmation that an SLA exists between the local authorities and the Department of Business, Enterprise and Innovation (DBEI) and that Council must be in funds before any payments can be made.
- A decision was made that the Finance Department would administer the Restart grants instead of the LEO due to their engagement with other grant applications available.
- Request that the FAQs which are set by the LGMA and DBEI for all local authorities must be adjusted to provide clarity on eligibility.
- Confirmation that a sole trader would qualify for the grant following clarification from the LGMA.

8. 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 previously circulated at the January 2020 Finance SPC was noted. Cllr. Lacey asked that this report would now be reviewed in light of the current Covid situation. In particular, it was noted that this is not just a financial issue as the whole insurance issue is having a detrimental impact on community groups across the city leading to their closure. It was further noted that government need to act on this situation as community life is impacted.

Agreed: It was agreed that this item will remain on the agenda and will be returned to at a future meeting.

9. Review of the feasibility of the implementation of Crowdfunding and/or Participatory Budgeting

A report prepared by K. Quinn was circulated to the members outlining the merits of both funding initiatives.

K. Quinn noted that the City Council will pursue the introduction of civic crowdfunding at this time and in due course will review its progress in terms of monies secured, governance and community impact. Through a current market sounding exercise, Dublin City Council will establish the interest among crowdfunding platform providers. On completion of this exercise, a provider will be sought through a full procurement process. It is anticipated that an update to the September Meeting which will detail that Dublin City Council has gone to tender and then a pilot project will be undertaken.

Agreed: A report will be presented to the September Finance SPC Meeting.

10. AOB

There were no items raised under A.O.B.

Next meeting is scheduled for Tuesday 8th September in the Round Room, Mansion House and will be a physical meeting.

Members Present

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. Darcy Lonergan
Cllr. Paddy McCartan
Cllr. Noeleen Reilly
Cllr. Nial Ring
Jack Daly, Docklands Business Forum
Tara Lillywhite, Dublin Chamber of Commerce
Dr. Caroline McMullan, DCU
Philip O'Callaghan, PPN
Aidan Sweeney, IBEC

Apologies

Eric Fleming, ICTU

Officials

Kathy Quinn, Head of Finance
Antoinette Power, Head of Financial Accounting
Fintan Moran, Head of Management Accounting
Dermot Collins, A/Executive Manager, Environment and Transportation Department
Deirdre Murphy, Senior Executive Officer, Rates Office
Fiona Murphy, Senior Staff Officer, Finance Secretariat
Mary Curran, Personal Assistant, Finance Secretariat