



Dublin City Council
City Hall, Dublin 2, Ireland

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Minister Darragh O'Brien
Department of Housing, Local Government and Heritage
Custom House
Dublin 1
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30th July 2020

Re: Funding for Dublin City Council Services 2020 and 2021

Dear Minister O'Brien,

I would like to take the opportunity to congratulate you on your appointment. These are especially challenging times with many pressures evident, across all aspects of life, health, economic, societal and personal. It is very important during this difficult period that local government and Dublin City Council services in particular continue to be delivered to all clients, especially those most marginal. Also Dublin City Council provides many services which support the trading environment, now at its most difficult for many years.

I write to you as the Chair of Dublin City Council's Budget Consultative Group (BCG), a cross party group of councillors nominated to consider the Council's annual budget. The BCG met today to consider the financial impact of the pandemic on Dublin City Council in 2020 and 2021. The recently announced rate waiver scheme for quarters 2 and 3 is welcomed and much needed. The scheme will provide relief to businesses unable to trade and consequently unable to meet rating liabilities. The scheme also provides certainty to Dublin City Council through the funding of rates so that service provision can continue.

There remains some key concerns for the balance of the 2020 financial year and for 2021. The future level of economic activity over the remaining months of 2020 is unclear but more likely than not, it will be below pre pandemic levels. Necessary measures such as social distancing have had a direct impact on business viability in some sectors. It remains then unclear as to the capacity of the business sector to meet rating liabilities for the 4th quarter of this year. Attention should also be given to other local authority income than rates, such as planning fees, parking charges, housing rents. I understand that a sectoral submission was made to your Department some time ago for this lost income. Dublin City Council estimates that €32m has been foregone, arising from the pandemic, across other income sources than rates. There have of course been additional costs incurred as a direct result of the pandemic. These include increased activity of Dublin Fire Brigade including the operation of an additional ambulance, staff overtime, business continuity measures, IT devices to support remote working, PPE and additional services for persons presenting as homeless. It is estimated that all of these have resulted in €41m additional incurred costs to Dublin City Council. A further sectoral submission has been made on this.

You will be keenly aware that the funding of Local Government is finely balanced. The cost of service provision has risen in recent years in parallel with an increasing expectation that the

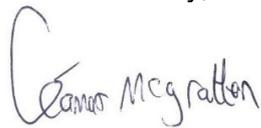
local authorities should apply no or low increases to charges. One of the difficulties will be in the provision of full housing services due to shortfall in funding. In a Dublin context the LPT has not delivered a flow of funds from which to provide services that householders now expect. In this already difficult setting, the financial impact of the pandemic is considerable.

I ask that you meet with the members of the BCG, at a date, time and place convenient to you, to discuss the funding measures required to ensure continuity of important services. The three priorities for that meeting, as outlined above, from the perspective of Dublin City Council, are to gain certainty that there will be a rates waiver scheme to cover relevant businesses for the 4th quarter 2020, that there will be compensatory funding for local authorities for lost income (other than rates) and that there will be compensatory funding for local authorities for additional costs incurred related to the pandemic.

I look forward to meeting with you.

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Yours sincerely,



Cllr. Séamas McGrattan
Chairperson
Budget Consultative Group