



Budget 2021 Public Consultation Process
For consideration at the monthly meeting of Dublin City Council scheduled for
Monday 14th September

1. Executive Summary

The public consultation process can be summarised as follows:

- *The total number of completed surveys was 627*
- *The largest single group of respondents were Dublin City Council home owners - 85.6% (537)*
- *79.4% (498) of respondents indicated that they were aware that Councillors had the power to vary the basic rate of the LPT*
- *69.2% (434) of respondents wished for the LPT to be maintained at its current rate of -15%*
- *30.8% (193) of respondents wished for the LPT to be varied from its current rate of -15%*
- *Of those who wished for a reduction, 39.4% wanted a lesser reduction than -15% while 60.6% wanted to increase the rate above the basic rate*

2. Background

The Local Property Tax (Local Adjustment Factor) Regulations 2014 requires that Dublin City Council consult with the public in its administrative area in relation to its consideration of the setting of a local adjustment factor. Dublin City Council is further required to have regard, in its consideration of a report summarising the written submissions received from the public consultation process.

3. Public Notice

Dublin City Council placed an advertisement, on Monday 29th June in the Irish Independent, and in the online edition of the City Gazette on Thursday 2nd July giving notice of the consideration of setting a local adjustment factor and seeking completion of an online survey on this issue. The notice was in compliance with the prescribed format as indicated in the regulations. The consultation period extended from Monday 29th June to Wednesday 29th July.

The public were further notified of the consultation via:

- www.dublincity.ie
- Social media (Facebook & Twitter)
- Public Participation Network newsletter
- Email notification to our elected members

4. Management of Consultation Process

Dublin City Council utilises a cloud-based software for managing, publicising and archiving its consultation activity for the LPT Public Consultation. The software (Citizen Space) hosted a web application which has been designed with a view to allowing organisations to run their consultation processes more efficiently and effectively.

The consultation process was managed using:

- Password-protected administration area allowing staff of the City Council to add, edit and report on consultations;
- A front-end website allowing the public to search for, share and participate in consultations that are being run by Dublin City Council;
- An online survey system for securely collecting consultation responses from users.

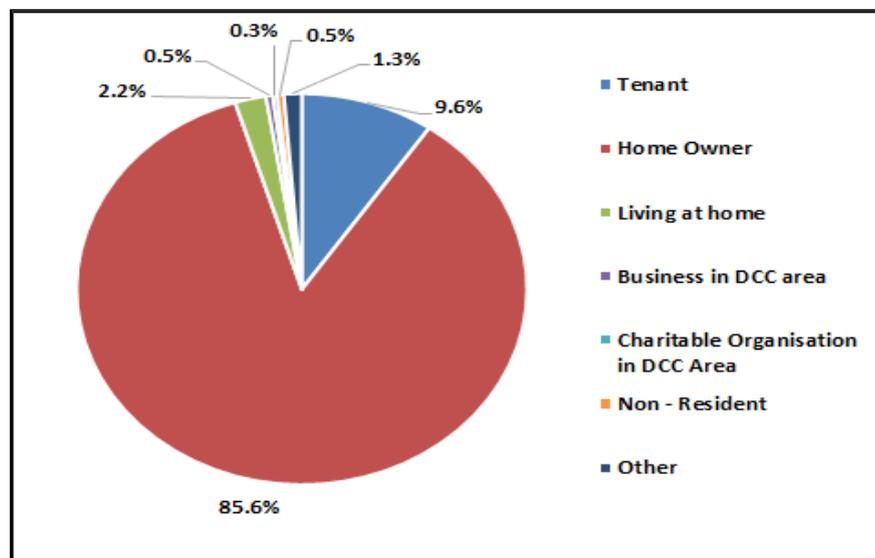
The use of this tool supported the protection by Dublin City Council of the integrity of responses.

5. Response to Consultation Phase

627 surveys were completed during the consultation process. Of this number 549 (87.6% of respondents) were Dublin City residents, with the balance of 78 (12.4%) not being resident in the City.

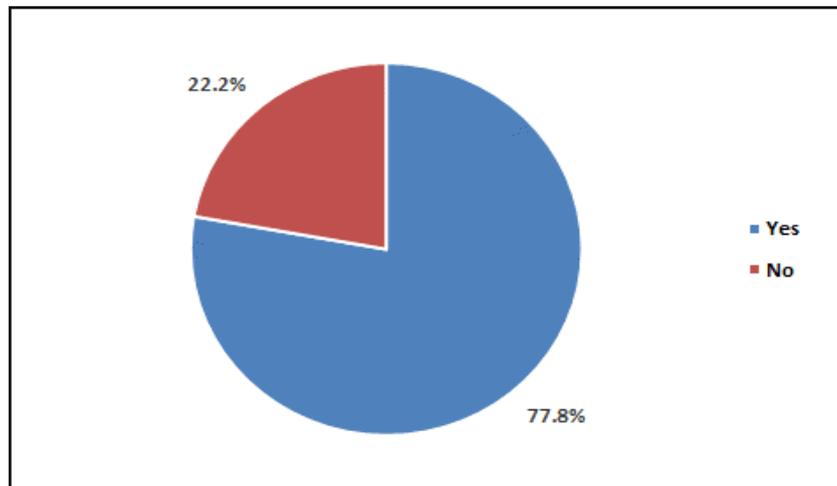
6. Analysis of Survey results

6.1 Analysis of Respondents



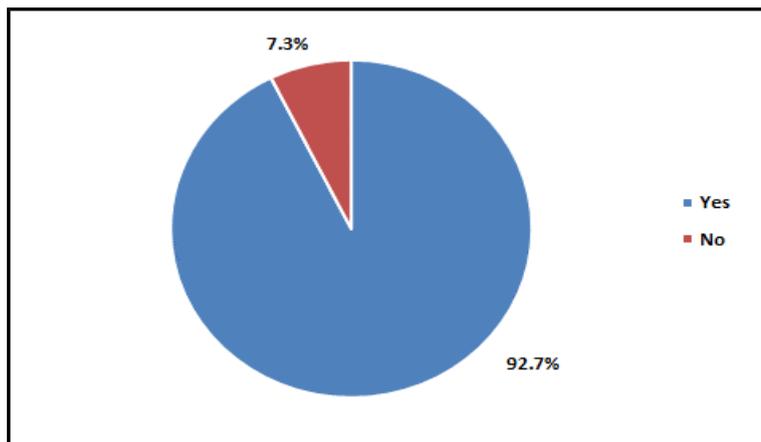
The largest single group of respondents were Home Owners who comprised 537 (or 85.6%) of the total, followed by Tenants who comprised 60 (or 9.6%).

6.2 Are you required to pay the Local Property Tax



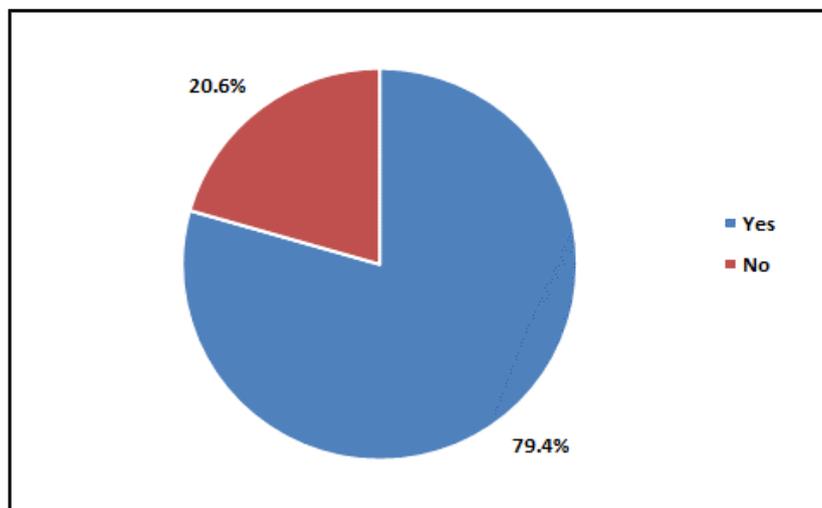
A total of 488 (77.8%) respondents are required to pay the Local Property Tax

6.3 Are you aware that the Local Property Tax payments are used to fund some of the essential services that Dublin City Council provides to its citizens?



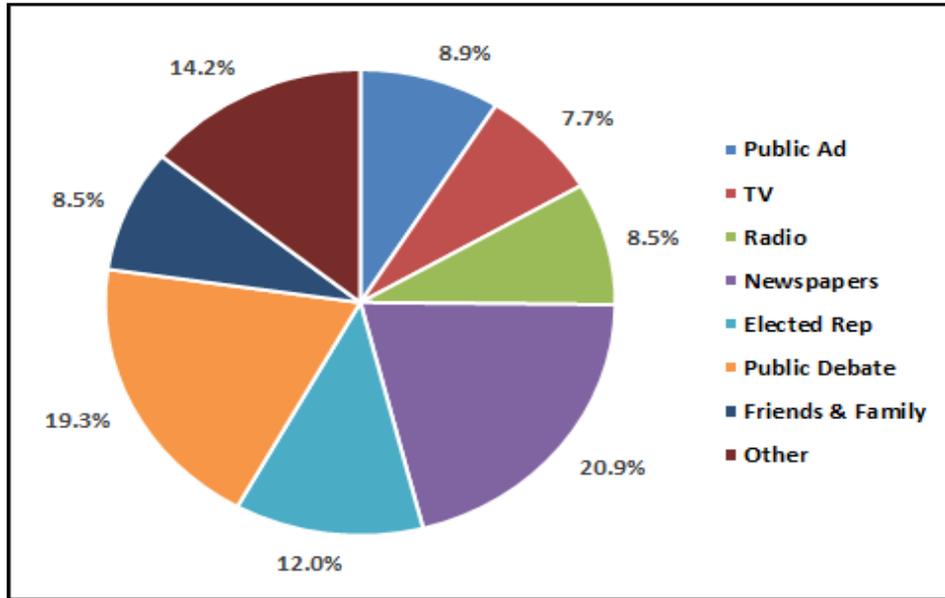
A total of 581 (92.7%) are aware that the LPT is used to fund essential services.

6.4 Are you aware that City Councillors can increase or decrease the basic rate of the LPT by up to 15%?



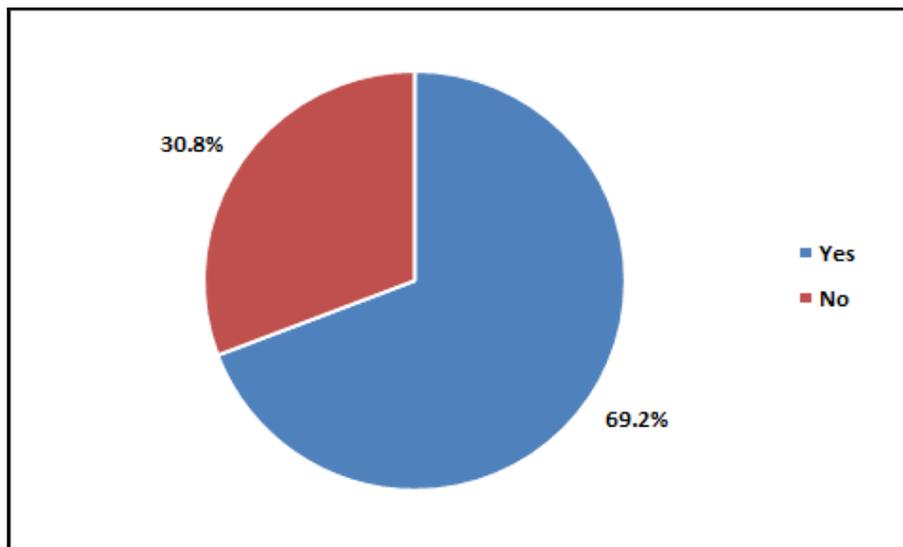
A total of 498 (79.4%) are aware that our Councillors can vary the basic rate of the LPT.

6.5 How did you hear about this consultation?



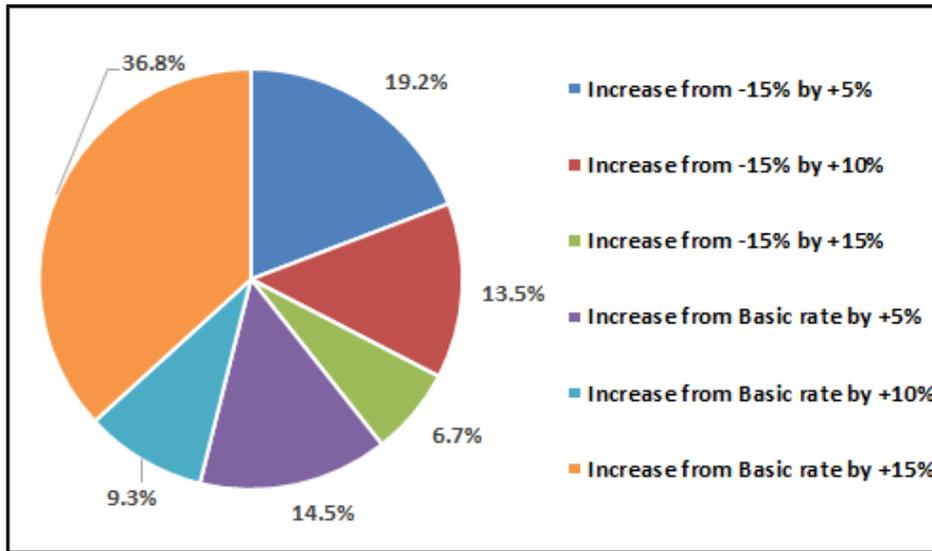
A total of 493 respondents answered this question. Of those that answered, 103 (20.9%) heard of the survey by newspaper advertisement, followed by 95 (19.3%) who heard of the survey by public debate. A total of 70 selected 'other'; this covered areas such as the Workplace, Social media/internet & research/education.

6.6 Would you like the elected members to retain the current reduction of -15% on the base rate for the year 2020?



A total of 434 (69.2%) respondents indicated that they would like the current reduction to remain in place. A total of 193 (30.8%) respondents indicated they would like to vary the current reduction.

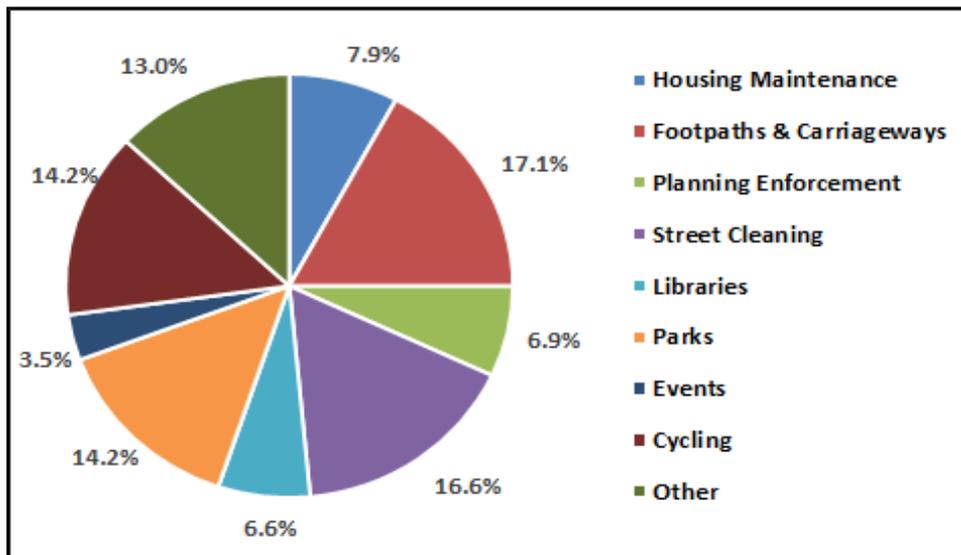
6.7 You have indicated in the previous question that you would like to increase the rate. Please indicate your preferred increase



A total of 193 people responded to this question. Of those respondents 39.4% expressed a preference to vary the rate by having a lesser reduction than - 15%. The balance of respondents, 60.6%, indicated they would like to increase the rate above the basic rate.

The most popular option was to increase the basic rate by +15%, a total of 71 respondents expressed a preference for this option.

6.8 If the Elected members voted to vary the rate by a lesser amount than the current reduction and additional income became due to the City Council, what area would like to spend it on?



For this question, respondents could select multiple options. The top 2 preferences were Footpaths & Carriageways (17.1%) and Street Cleaning (16.6%). In the category of 'Other' areas such as climate action, flood prevention, anti-social enforcement and fire brigade were referenced.

7.0 Summary

In summary:

- The total number of completed surveys was 627
- The largest single group of respondents were Dublin City Home Owners (537 or 85.6%)
- 77.8% (or 488 respondents) were required to pay the LPT.
- 92.7% (or 581 respondents) are aware that the LPT is used to fund essential services
- 79.4% (or 498 respondents) are aware that the elected members can vary the rate of the LPT
- 69.2% (or 434 respondents) wished for the LPT to be remain at its current rate of -15%
- 30.8%(or 193 respondents) wished for the LPT to be varied from its current rate of -15%
- Of those who wished to vary the rate, 39.4% wish to have a lesser reduction than -15%
- Of those who wished to vary the rate, 60.6% wanted an increase of above the basic rate
- Of those who indicated a preference to vary the rate from its current -15%, the most popular option was to increase above basic rate by +15%.
- If additional money accrued for any variation to the LPT the most popular options to spend this money on were 1) Footpaths & Carriageway, 2) Street Cleaning

Kathy Quinn
Head of Finance
14th September 2020



Submission to Dublin City Council on the Variation of Local Property Tax

July 2020

Dublin Chamber calls on Dublin City Council not to adopt a reduction in the Local Property Tax rate any greater than -10% for 2021. The uncertain economic and fiscal outlook following Covid-19 makes it imprudent to voluntarily forego more revenue than is necessary in the manner of recent years. The decision on the adjustment of Local Property Tax in Dublin City must not be taken in isolation. It must be considered in light of the likely implications for the overall budget for 2021 which will be agreed later this year, and the implications for commercial rates in particular. Businesses already fund over a third of the Dublin City Council budget directly through commercial rates, in addition to their other contributions through various charges and levies; yet commercial rates have been effectively treated as a balancing item to address shortfalls arising from earlier decisions taken without foresight. With many businesses in Dublin now in serious crisis and at risk of closure, and thousands of livelihoods at stake, there is no room for such complacency this year. Dublin Chamber encourages all elected representatives to consider this carefully and to ensure that commercial rates are not increased at a critical time for business and employment in our city.

1. Introduction

Dublin Chamber welcomes this opportunity to make a submission to Dublin City Council as part of the consultation on the annual variation decision with respect to Local Property Tax (LPT). As the representative body for the business community in the Greater Dublin Area, Dublin Chamber is committed to enhancing both economic competitiveness and quality of life across the region. With a cross-sectoral membership base spanning the spectrum from micro-enterprises to multinationals, and supporting 300,000 jobs nationally, the Chamber has a unique insight into the needs of both businesses and their employees. Dublin Chamber wishes to highlight a number of concerns with respect to LPT and requests that these be taken into account by Dublin City Council in relation to its annual decision on the LPT variation. We argue that Dublin is suffering from underinvestment in its infrastructure and municipal services; that there is strong demand for climate action, a better urban environment, and improved quality of life; and that LPT revenue has an important role to play in meeting these needs. A large and one-sided relinquishment of legitimate public revenues from LPT is not appropriate at this time.

Dublin City Council should adopt a more modest LPT reduction of -10%. The additional revenue from this decision would be sufficient to accelerate projects that could make a tangible difference to Dublin's transport offering, carbon emissions, and quality of life.

2. Public & Business Demand for a Better Dublin

Dublin Chamber takes a holistic view of the business environment in which quality of life and economic competitiveness are complementary. In *The Great Dublin Survey*, conducted by the Chamber in 2017, Dubliners from all walks of life were asked their views about the city, and their aspirations for the future. The survey garnered over 20,000 responses and formed the background to our in-depth report, *A Vision for Dublin 2050*, which outlines in rich detail the public's perception of Dublin and the direction it should take.

While Dubliners are proud of their city, they are also very conscious of its shortcomings. Whereas 82% of respondents described Stockholm as a clean city, and figures of 80% and 76% were received for Sydney and Berlin respectively, just 22% of respondents described Dublin as clean. Twice as many people described Ireland's capital as a dirty city.¹ This perception points to a wider concern about maintenance of the urban environment in Dublin. Dublin was recently ranked among the most traffic-congested cities in the world, with an average of almost 250 hours lost per driver annually.² Traffic congestion in the GDA costs the national economy €350 million per annum, rising to a cost of €2 billion per annum by 2033.³ This impacts both upon business competitiveness and quality of life. Already, levels of life satisfaction are lower in Irish cities than in rural areas, both among high-income and low-income groups.⁴ Other research has found that Dublin has one of the lowest levels of self-reported life satisfaction in Ireland.⁵ Alongside housing, infrastructure consistently ranks as the most important long-term policy issue facing existing businesses in the GDA.

Dublin Chamber has long argued for greater investment in urban infrastructure from the central Government. We pointed out, for example, that despite the considerable demographic pressure on its infrastructure, Dublin received the second lowest level of capital investment per head from central government of any county from 2009-2016. It received less than half of the national average and less than a third of the amount received by higher per capita recipients.⁶ It must be noted that this analysis is based solely on Dublin's resident population. It does not take account of those resident outside of Dublin who utilise Dublin's infrastructure every working day; an additional 116,000 people commute into Dublin to work on a daily basis, and many more for education and public services.⁷

There is strong demand for a better urban environment in Ireland's capital city. This can only be achieved by better investment in Dublin's local infrastructure and better funding for municipal services. With businesses already heavily relied upon to fund Local Authorities, LPT is a revenue stream that should be better managed to improve urban services whilst being prudent in relation to household impact.

¹ Dublin Chamber 2017, *A Vision for Dublin 2050*, pp. 15, 20, <https://www.scribd.com/document/378180736/A-Vision-for-Dublin-2050-Lores> ²

INRIX Global Traffic Scorecard 2018, <http://inrix.com/scorecard/>

³ Dept. of Transport calculation, Dáil Question No: 346, John Lahart TD. Ref No: 1857/17, Proof: 348, Answered by the Minister for Transport Tourism and Sport Shane Ross.

⁴ Eurostat, Statistical Books, *Urban Europe: Statistics on Towns, Cities & Suburbs 2016 Ed.*, p. 267 ⁵ UCD Briefing Paper for Comhar, Clinch et al, *Understanding & Measuring Quality of Life in Ireland: sustainability, happiness and well-being*, p. 56.

⁶ Dublin Chamber, July 2018, Submission to DHPLG Consultation on Local Government Funding, <https://www.dublinchamber.ie/DublinChamberofCommerce/media/banners/Dublin-Chamber-Local-Govt-Funding-Submission-July-2018.pdf>

⁷ Analysis of CSO Census 2016 data privately supplied to Dublin Chamber.

3. LPT as a Revenue Source

Dublin Chamber supports a responsible fiscal policy. We recognise that maintaining a diverse range of Government revenue streams at national and local level is a key marker of the fiscal prudence that underpins long-term economic stability and success. The requirement for the introduction of a property tax as part of the EU / IMF Programme of Financial Support for Ireland was appropriate in this context.

However, there remains a general tendency amongst Local Authorities towards overreliance on the collection of commercial rates revenue as a means of balancing accounts. The manner in which the discretionary variation in LPT has been exercised by Local Authorities is indicative of the attitude prevalent among local representatives, with Councillors in Dublin City reducing LPT by the full permissible 15% every year for the last 6 years, without concomitant reductions in commercial rates for struggling businesses. Meanwhile, commercial rates paid by the business community account for over a third (35%) of Dublin City Council income this year, while Local Property Tax (LPT) accounts for just 2.2%.⁸ There is a strong perception in the business community that this policy trend owes more to electoral concerns than to a disinterested regard for good governance or for the social and economic environment in Dublin.

The Dublin City Agreement, reached between Fianna Fáil, the Green Party, the Labour Party, and the Social Democrats, contains a commitment that 'We will seek to retain and spend 100% of Local Property Tax collected in Dublin City on Dublin City Services.'⁹ This is a welcome goal. Dublin Chamber strongly supports local retention of LPT revenue, arguing the case for this in our representations to national government.¹⁰ However, it is difficult to ensure that this argument is taken seriously when Councillors voluntarily relinquish revenue from LPT to the maximum extent that is legally permissible.

Dublin Chamber welcomes the presence of multiple sources of Local Authority funding, and encourages Dublin City Council to adopt a more balanced approach to revenue generation. While we will continue to make the case for a fairer share of central Government investment in Dublin, Local Authority representatives have a responsibility to do their own part by making the most effective use of existing revenue streams to improve economic competitiveness and quality of life in the city.

4. Potential Uses of LPT Revenue

Dublin Chamber regrets the decision by Councillors to repeatedly discount the advice of Dublin City Council officials about the needs of the city in the run-up to LPT variations in recent years. Whereas the average benefit accruing to a household on account of the full downward variation is very modest – and the benefit to vulnerable tenants in renting households non-existent – the opportunity cost has been significant, with many potential city improvements going unfunded over the years as a result.

⁸ NUI Galway, Local Authority Finances, Dublin City, <http://localauthorityfinances.com/income/7/>

⁹ The Dublin Agreement 2019-2024, p. 8, <https://www.labour.ie/download/pdf/dublin-city-agreement-final.pdf#page=8>

¹⁰ E.g. Dublin Chamber, Submission to Dept. Finance re Review of Local Property Tax, May 2018, <https://www.een-ireland.ie/eei/assets/documents/uploaded/general/Dublin%20Chamber%20LPT%20Review%20Submission%20May%202018.pdf>

In previous briefings to Councillors, Chief Executive Owen Keegan advised that a slightly more modest LPT reduction of 10% would have returned an additional €4 million which could have been used to boost municipal services with a particular focus on improving Dublin's cleanliness.¹¹ As well as several cultural and social inclusion initiatives, the proposal would have allowed for:

- Recruitment of 50 permanent street cleaning and road maintenance staff;
- Roll-out of 300 additional smart compactor bins;
- An improved power washing programme;
- Extension of the graffiti removal programme;
- Enhanced area-based anti-litter/graffiti initiatives;
- An improved bulky household waste collection service;
- Roll-out of a waste disposal options awareness campaign.

Similar advice in 2018 was also ignored.¹²

The decision not to fund these necessary improvements represents a rebuff to public and business feedback about the current level of cleanliness in the city, but also fail to take account of the wide range of other areas in which Dublin's infrastructure and services could be improved. In the course of its Strategic Policy Committee representations, Dublin Chamber has highlighted a number of these projects.

A full 15% reduction in the 2021 fiscal year would represent an excessive and one-sided relinquishment of public funds at a time of considerable population growth and pressure on Dublin's infrastructure. Dublin Chamber encourages Councillors to consider the ways in which Dublin's infrastructure, carbon emissions, traffic congestion, and quality of life could be tangibly improved by adopting a more modest variation in LPT.

¹¹ Dublin City Council, Report No. 309/2017, Report of the Chief Executive to the Lord Mayor and Members of Dublin City Council re Consideration of the Local Property Tax Local Adjustment Factor in respect of the Financial Year 2018, https://consultation.dublincity.ie/finance/lpt-consultation-2019/supporting_documents/02%20%20Report%203092017%20LPT%20Variation.pdf

¹² Dublin City Council, Report No. 238/2018, Report of the Chief Executive to the Lord Mayor and Members of Dublin City Council re Consideration of the Local Property Tax Local Adjustment Factor in respect of the financial year 2019, https://consultation.dublincity.ie/finance/lpt-consultation-2020/supporting_documents/2382018%20LPT%20Variation%20Report%20%20Final.pdf