

Rannóg Cuntasaíocht Airgeadais, An Roinn Airgeadais,  
Oifigí na Cathrach, An Ché Adhmaid, Baile Átha Cliath 8, Éire

Financial Accounting Section, Finance Department,  
Civic Offices, Wood Quay, Dublin 8, Ireland  
T. 01 222 2711 Email: Antoinette.Power@dublincity.ie

## Report to the Finance Strategic Policy Committee

### Report on Year End Debtors 2020

#### Introduction

The active pursuit and collection of all revenues due to the Council is of paramount importance. Individual managers within departments and areas are accountable and responsible for the identification of potential income sources, the timely issue of invoices and the ultimate collection of the money due. The collection of all outstanding amounts in a timely manner is an essential activity for the efficient running of an organisation. It results in positive cash flow impact, reduced borrowing requirements and associated borrowing costs and ensures that third parties are aware that the Council intend to fully pursue all monies owing.

#### Debtors Balances

Table A below shows the total amount owed / accrued to DCC at the end of December 2020 compared with the opening balance at the start of the year, broken down over the main Debtor categories. Revenue Debtors have decreased from €347.8m at the start of the year to €340.5m at the end of December 2020. This net decrease is mainly due to a combination of lower Government Debtors and higher Commercial Debtors.

**Table A**

	Opening Balance (Gross Debtors) 01/01/2020	Closing Balance (Gross Debtors) 31/12/2020
<b>Trade Debtors</b>		
Government Debtors	197,266,443	168,707,953
Commercial Debtors	49,825,515	68,841,117
Non-Commercial Debtors	44,839,724	42,679,670
Other Services	9,770,230	7,376,541
Other Local Authorities	6,735,340	6,452,781
<b>Total Trade Debtors</b>	<b>308,437,252</b>	<b>294,058,062</b>
<b>Other Debtors</b>		
Development Levy Debtors	39,390,531	46,407,384
<b>Total Other Debtors</b>	<b>39,390,531</b>	<b>46,407,384</b>
<b>Overall Current Debtors</b>	<b>347,827,783</b>	<b>340,465,446</b>

A bad debt provision of €142.5m has been maintained against the outstanding debt in Accountings with the Local Government Accounting Code of Practice.

### **Government Debtors**

€168.7m is owed by Government Departments at the end of December 2020. This is a reduction of €28.6m on the opening balance at 01/01/2020 of €197.3m. The debtor at the end of December is broken down in Table B below by Division and across Revenue and Capital.

**Table B**

DEPARTMENT	REVENUE	CAPITAL	TOTAL
Housing and Building	29,687,519	101,200,597	130,888,116
Roads Transportation and Safety	245,872	2,914,474	3,160,346
Planning and Development	11,509	0	11,510
Recreation and Amenity	105,232	379,113	484,345
Miscellaneous Services	34,163,637	0	34,163,637
<b>Total</b>	<b>64,213,769</b>	<b>104,494,184</b>	<b>168,707,954</b>

The Revenue Government Debtor of €64.2m is broken down as follows:

- Homeless €13.0m
- HAP €7.0m
- CLSS €6.6m
- Covid-19 support €34.1m
- Other €3.5m

Housing Capital Project claims and accruals amounting to €104.5m at the end of December 2020 are as follows:

- Purchase of Houses €26.4m
- Housing Development €51.1m
- Refurbishment Houses/Voids €2.0m
- Voluntary Housing € 21.7m
- Other / Misc. € 3.3m

### **Commercial Debtors**

#### **Commercial Rates**

Details in relation to the Rates collection are set out in Table C and D below, showing the overall collected percentage for 2019 and 2020.

**Table C**

Opening Balance January 2020	Debit raised	Receipts less Refunds	Write Offs / Vacant Property adj/ Waivers	Balance December 2020	Specific doubtful arrears	% Collected
23,058,148	357,693,512	171,187,309	175,500,959	34,063,392	1,835,016	84%

**Table D**

Opening Balance January 2019	Debit raised	Receipts less Refunds	Write Offs / Vacant Property adj/ Waivers	Balance December 2019	Specific doubtful arrears	% Collected
27,761,895	338,299,503	320,093,620	22,909,631	23,058,147	2,036,003	94%

The 2020 10% reduction in collection primarily results from the accounting treatment of the commercial rates waiver. The amount of rates waived was taken off the total warrant for collection (€357.7+ €23m = €380.7m). This has the effect of reducing the % collected in the final column. The Council received a grant equal to the amount waived. For prior year comparison purposes if the waiver was included in the receipts column rather than the write offs / vacant property adj / waivers column the % collected would have been 91%.

#### Other commercial debtors

The balance outstanding on other commercial debtors at the end of December 2020 is €34.8m, an increase of €8m on the opening balance at the beginning of the year. The debtors are made up of invoices raised for the commercial activities of the City Council and consist mainly of the following balances set out in Table E:

**Table E**

	31/12/2019	31/12/2020
Rental income	€4.1m	€6.0m
Vacant Site Levy	€1.1m	€6.5m
Repayable works	€2.8m	€1.3m
Fire charges (commercial)	€0.6m	€0.6m
Derelict sites	€2.1m	€3.4m
Dangerous buildings	€1.7m	€1.7m
T2 administration	€1.6m	€2.6m
Development Valuation work	€0.6m	€0.7m
Irish Water SLA Recoupment	€6.0m	€3.6m
Development Miscellaneous	€1.6m	€0.9m

#### Non Commercial Debtors

##### Housing Rents

Details in relation to Housing Rent collections are set out in Table F and G below, showing the overall collected percentage for 2019 and 2020.

**Table F**                      **Housing Rents % Collection 2020**

Opening balance January 2020	Debit raised	Receipts net of refunds	Write Offs	Balance December 2020	% Collected
31,573,399	95,682,081	92,194,156	723,964	34,337,360	73%

**Table G**                      **Housing Rents % Collection 2019**

Opening balance January 2019	Debit raised	Receipts net of refunds	Write Offs	Balance December 2019	% Collected
27,830,725	92,067,554	87,263,690	1,061,190	31,573,399	73%

The balance of the debtor at the end of December 2020 for Housing Rents has increased by €2.7m from €31.6m to €34.3m. The % collection for Rents was 73%, the same as December 2019.

#### Housing Loans

Details in relation to the Housing Loans collections are set out in Table H and J below, showing the overall collected percentage for 2019 and 2020.

**Table H**                      **House Purchase Loans % Collection 2020**

Opening balance January 2020	Debit raised	Receipts net of refunds	Write Offs	Balance December 2020	% Collected
7,191,445	19,202,907	19,719,693	0	6,674,659	75%

**Table J**                      **House Purchase Loans % Collection 2019**

Opening balance January 2019	Debit raised	Receipts net of refunds	Write Offs	Balance December 2019	% Collected
9,071,074	19,281,079	21,160,708	0	7,191,445	75%

The balance of €6.7m outstanding for Housing Loans debtor at the end of December 2020 is a reduction of €0.52m on the opening balance at the 1<sup>st</sup> January 2020. The reduction in debtors is mainly due to borrowers moving to mortgages to rent, where their arrears are written off. Table K below give more details on loan accounts.

**Table K**

Loans	31 <sup>st</sup> Dec 2020	%	31 <sup>st</sup> Dec 2019	%
Interest Only	9	0.4%	9	0.4%
Accounts in Arrears	599	26.0%	663	29.1%
Total number of accounts	2301		2280	

Since the same period last year, the numbers on interest only loans remain the same and the number of accounts in arrears has decreased by 3%. As can be seen from the above table the number of loan accounts has increased by 21.

Dublin City Council repossessed No (0) properties in 2020 and (9) properties went through the Mortgage to Rent process in 2020, €1,528,199.46 has been written off the revenue debtor's balance. This money has been funded through Claims against the LAMTR Fund and the MARP Fund depending on if the property was in negative equity.

When the write off is taken into account, the balance on the remaining debtor accounts has increased by €1m. The capitalisation of arrears for customers who are in arrears and unable to fund these arrears at this point in time also has an impact on the Debtor balance.

### **Development Levy Debtors**

The short term debtor of €47.4m at the end of December 2020 for Development Levies has increased by €8m since 31<sup>st</sup> December 2019. This figure includes €1.6m for the Water and Sewerage element of the contribution which when collected will be payable to Irish Water.

Properties for which planning permission has been granted are monitored to ascertain if the permission is implemented. Developments that are underway are monitored to ensure that all development levies are paid in full. Where the levy due is large, the Council may agree a phasing arrangement. There is no provision to write-off a levy or part thereof. All levies are pursued and where negotiation of phasing arrangements or payments is unsuccessful, enforcement and legal proceedings are taken to ensure payment.

**Antoinette Power**  
**Head of Financial Accounting**

**18<sup>th</sup> March 2021**