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Report to the Finance Strategic Policy Committee

Information on DCC Funding and Spend

Background

Report 17/2020 and 05/2021 regarding the presentation and communication of information on DCC expenditure were presented to the Finance Strategic Policy Committee at meetings held 26th November 2020 and January 2021. At the January 2021 meeting, draft videos were presented, giving a focus on DCC funding and service spend. The contributions of SPC members have since been incorporated into the final video clips which are presented today. This work has been a joint collaboration between the Management Accounting Unit (Enda Currid) and the Communications Unit (Rob Hughes).

Final Video Clips

There are 5 video clips developed for consideration by the SPC members. It is intended that over the next month, the videos will be made available on the DCC Social Media channels (Facebook, Twitter & Instagram) and the Finance section of DCC's website. The final clips are:

1. City Services 2021 – How are they paid for?
2. Commercial Rates – Who pays what?
3. Government Grants Funding
4. Goods and Services Funding
5. LPT Funding

The following link will bring you through to the 5 videos above:

<https://dublincity.sharefile.eu/share/view/s0c4fc1195fa34149931e4a555d39e6e8>

Videos 1, 2, and 3: City Services 2021, Commercial Rates and Government Grants Funding

These clips were discussed in detail at the January 2021 Finance SPC meeting. The changes proposed by SPC members have been incorporated.

Video 4: Goods and Services Funding

This clip gives focus to the funding of DCC services provided by service users through fees. The video gives detail of the value of income from goods and services, the proportion that income represents of all DCC funding and the total value of DCC services in 2021. The clip then gives a word cloud of many sources of goods and services related funding.

Video 5: Local Property Tax

This clip gives information on the Local Property Tax as it applies to DCC. The video informs the viewer of when LPT was introduced, that the tax is based on property market valuations in 2013 and that it is administered by the Revenue Commissioners. The capacity for elected members to vary the LPT rate by +/- 15% is noted along with the practice of DCC councillors to reduce the LPT rate by 15% each year along with the value of that reduction. In 2021 this reduction amounted to €12.2m reduced householder LPT liability but in turn €12.2m reduced funding for City Council services. The clip outlines how the LPT tax yield of Dublin City householders is applied. The national equalisation fund receives €16.3m or 20% of the Dublin City LPT basic liability. This is allocated to local authorities as determined by the Department. Dublin City Council has not, as yet, received funding from the national equalisation process.

The clip then informs of an amount of LPT receipts to be used for the 'self-funding' of Housing and Roads. Self-funding is a term used by Government in the context of LPT using a needs and resources approach. It implies that local authorities categorized as self-funding have enough resources to meet needs. In the context of LPT, self-funding local authorities have LPT receipts allocated as a substitute for previous grant funding. DCC have been informed that in 2021 €29.9m LPT receipts will fund housing and roads services, previously grant funded.

In addition, LPT receipts are applied to baseline funding, specifically pension related deductions and the general purpose grant. As applied above, both matters were previously funded by the Department but are now funded by LPT receipts. These involve a further €19.1m LPT receipts in 2021. The net €4.1m is the residual funding yield to DCC for elected members to have discretion on how this amount is applied. This represents 5% of the total value of potential LPT funding.

Next Steps

With the agreement of the Finance SPC, it is proposed that the clips will be published over the coming fortnight. Consideration will then be given to further information videos.

Kathy Quinn

Head of Finance

With responsibility for ICT

18th March 2021