

Oifis an Cheannasaí Airgeadais, An Roinn Airgeadais
Oifigí na Cathrach, An Ché Adhmaid, Baile Átha Cliath 8, Éire

Office of the Head of Finance, Finance Department,
Civic Offices, Wood Quay, Dublin 8, Ireland

T. 01 222 2102/3 E. finoff@dublincity.ie

Finance Strategic Policy Committee

Rates Waiver Q4 2021 Report

Background

Report 5-2021 informed the SPC of the Rates Waiver Scheme applied in 2021 through Circulars Fin 1, 5 and subsequently 14/2021. As outlined the Rates Waiver Schemes for 2021 are more restrictive schemes than the 2020 scheme in that less businesses are eligible under the 2021 schemes.

On comparing the application of the 2020 scheme to the 2021 scheme, government funding for each quarter in 2021 has been reduced by €24.2m and rate payers previously exempt in 2020 now have a rates liability.

Rates Waiver Scheme Q4 2021

Circular Fin 20/2021 was issued on 21st October and subsequently circulated to all Elected Members (attached). This 3 month waiver scheme has modified criteria and is a standalone scheme - no overlap with the other 2021 Rates Waiver Schemes outlined in circulars Fin 01/2021, Fin 05/2021 and Fin 14/2021. Appendix B provides a detailed list of eligible categories, namely;

- Hospitality, including restaurants and cafes
- Leisure
- Miscellaneous entertainment
- Certain tourism related categories
- Airports

Main Category Changes

The main differences between the 2021 schemes are summarised in **Table 1** below. The initial 2021 schemes apply to the first three quarters, ending 30th September. Certain categories included in the 2021 Q1-3 schemes (i.e. rates waived) are not included in the 2021 Q4 targeted scheme. In these cases, the final quarter rating liability remains with the business to be discharged and will be pursued by Dublin City Council.

Table 1 – Comparison Rates Waiver Schemes Q1-3 2021 and Q4 2021 including Category Changes

2021 Q 1-3	2021 Q4
€160 Sectoral funding	€62.3 Sectoral funding
Dublin City Council Rates waived (€28.95M per Quarter)	Dublin City Council Rates Waived (€12.57M per Quarter)
Retail - Essential and Non Essential Waived	Retail - Only Hospitality and Tourism related retail waived
Health waived	Health not waived
Miscellaneous Car Parks waived	Miscellaneous Car Parks not waived
Crèches and Service Stations waived	Crèches and Service Stations not waived
Opportunity to appeal exclusion if severely impacted by the pandemic	No appeal available

Application of the Rate Waiver in 2021

The Government have applied four Rates Waiver Schemes, through Circulars Finance 01, 05, 14 and 20/2021 to assist specific trading entities. Table 2 provides details of the 2021 Rates Waiver Schemes in terms of value and ratings.

Just over 9,100 rate accounts or 45% of rate accounts, were eligible for the Rates Waiver Scheme operating in quarters 1 to 3 i.e. that is from 1st January to 30th September 2021. The value of this waiver over that nine month period amounts to €86.9m or 32% of the value of all rating liabilities for that period.

The Targeted Rates Waiver Scheme 2021 (Q4) is more restrictive than the other 2021 schemes (Table 1) and reflects the fact, impacts have not been uniform across all businesses.

Business trade has been hugely disrupted during 2021, more strongly in sectors such as hospitality and entertainment, arising from the impact of public health measures. Many businesses have been required to cease physical trading, or operate at a reduced capacity or restricted services for long periods.

Table 2 highlights how eligibility for the fourth quarter waiver is restricted when compared with the earlier 2021 schemes. Some 2,135 rate accounts will be eligible to receive a rates waiver over the period 1st October to 31st December 2021 or 10.5% of rate payers.

The value of this assistance amounts to €12.6m or 14% of the quarter 4 2021 rating liability.

Rates are due for the 7000 businesses no longer eligible for a rates waiver.

Table 2: Rates Waiver Schemes 2021

2021 Commercial Rates Waiver Scheme - Impact of Targeted Q4 scheme FIN 20/2021			
Valuation Categories that qualified for the Commercial Rates Waiver Scheme under FIN 01,05,14/2021			
No Of Accounts waiver Q1-3	Waiver Credits € Q1-3	Continue to qualify for Commercial Rates Waiver under targeted Q4 Waiver Scheme?	Waiver Credits - Loss and continued support for Qtr. 4 when compared to Waiver Scheme for Qtrs. 1-3
7037	€49,151,051.23	No	-€16,383,683.74
2135	€37,707,270.67	Yes	€12,569,090.22
9172	€86,858,321.90		

Appeals and value of successful appeals

The Q1-3 schemes recognised that there may be ratepayers within the excluded categories that have been severely impacted by the pandemic. Provision was made for excluded ratepayers to demonstrate the impact of the pandemic on their business.

The Department allocated up to 7.5% of all funding for the 2021 schemes for the purpose of appeals.

It was a requirement that rate payers submitting an appeal must demonstrate and submit documentation to the effect that turnover in the respective quarter of 2021 is 75% reduced when compared with the average weekly turnover in 2019.

The quantum of successful appeals is shown in **Table 3**. Dublin City Council have received confirmation that the Government's intend to fund a 100% waiver (3 Quarters) for those eligible on appeal.

Table 3: Rates Waiver Schemes Appeals 2021

Rates Waiver Scheme appeals for Excluded Categories		
Appeal period	No. of successful appeals	Rates Waived Qtr. Value
Q1	162	€546,157
Q2	65	€284,559
Q3	17	€34,085
Combined Qtr. Value		€864,801
Total value of Q1-3	244	€2,594,402

*Please note the value of successful Q1 and 2 appeals are contained within the €86.9m.

There is no provision in the Q4 targeted Rates Waiver Scheme for appeals, or to demonstrate the financial impact of Covid 19 or related restrictions.

The Government intervention is hugely welcome and very helpful to both businesses and Dublin City Council.

Anthony O'Donoghue

**Acting Senior Executive Officer
Rates Office**

04th November 2021