



Oifig an Runaí Aire
Office of the Minister of State

14 May 2022

Cllr. Séamas McGrattan
seamas.mcgrattan@dublincity.ie

Ref: HPLG-MoSB-00262-2022

Dear Cllr. McGrattan,

I refer to your correspondence regarding the report commissioned by Dublin City Council concerning the Review of Local Government Funding and, in particular, the impact of any LPT Local Adjustment Factor decisions, which was forwarded by Minister Darragh O'Brien.

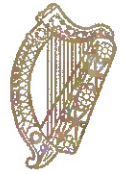
I note in your correspondence, and in the associated Grant Thornton report, the concerns of the elected members around the retention of additional funds for service provision in the event of the elected members not applying the full (-15%) variation reduction.

The position as regards self-funding of services from Local Property Tax (LPT) under the current allocation process has been set out in annual circulars from my Department since 2015.

Any local authority with a surplus LPT income i.e. income above the baseline, retains a portion of that surplus to "self-fund" certain Housing and Roads services in their area. For the sake of clarity, the contribution towards self-funding obligations are pre-determined in advance of any local variation decision and are based on the estimated pre-variation yield for the liability year. It is unaffected by any subsequent local variation decision.

If a local authority decides to vary the LPT basic rate upwards or downwards (by up to +/-15%), the resultant gain/loss in LPT income is reflected in a proportionate increase/decrease in discretionary income for the Council.

This has consistently been the position since 2015, and has been set out in Departmental circulars which have issued annually. The most recent circular on LPT (Circular Fin 15/2021) issued to Dublin City Council in June 2021. Finally, it is worth emphasising that 'self-funding' funds the delivery of important services in the Dublin City Council area, in line with the policy that informed the introduction of LPT, i.e. the broadening of the tax base.



I trust this clarifies the position.

Yours sincerely,

Peter Burke T.D.

Minister for Planning and Local Government

Please note: I am a Designated Public Official under the Regulation of Lobbying Act, 201