



Rialtas na hÉireann
Government of Ireland

Value for Money Unit

Local Government Audit Service

**An Overview of Commercial Rates
in Local Authorities**

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Local Government Audit Service

The Local Government Audit Service (LGAS), incorporating the Value for Money (VFM) Unit, being an external audit service, provides independent scrutiny of the financial stewardship of local authorities.

The sectoral goals of the LGAS are to:

- carry out the audits of local authorities and other bodies in accordance with the Code of Local Government Audit Practice thereby fostering the highest standards of financial stewardship and public accountability
- promote the achievement of value for money in local authorities by undertaking Value for Money audits and publishing reports thereon.

It is the responsibility of local authority management to ensure that value for money is achieved by establishing and maintaining sound arrangements including procedures for planning, appraisal, authorisation and control of resources.

This report was prepared on the basis of information, documentation and explanations obtained from the public bodies included in this report. The draft report was sent to all local authorities and relevant Government departments for factual accuracy and where appropriate the comments received were incorporated in the final version of the report.

The website of the Department of Housing, Planning and Local Government is the primary means of publishing reports of the Value for Money Unit of the Local Government Audit Service. Should any errors arise they will be corrected and noted in the report published at <http://www.housing.gov.ie/en/publications/localgovernment/auditservice/>

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Executive Summary

Background

In 2017, the amount of rates accrued was €1,476m (**2016:** 1,468m, **2015:** €1,496m) which was over 30% of the total revenue income collected by local authorities. In 2018, commercial rates is budgeted to account for 31.5%, almost one-third, of all income totalling €1.5billion.

As this is a significant source of income for local authorities we sought to examine all aspects of commercial rates within local authorities, from the initial levying of the charge, through to collection, aging and profiling of the commercial rate debt and the levels of provisioning for irrecoverable bad debts and write offs.

The aim of this report is to:

- i. examine the current and new legislative provisions and in particular the new provisions in the draft commercial rates bill recently published
- ii. identify the process of assessment and valuation by local authorities
- iii. examine the operation of the property entry levy for new properties, the total amount of the levy and the level of arrears
- iv. quantify the rate income and examine improvements in collection rates
- v. quantify the level of arrears and the aging of the debt
- vi. review the level of bad debt provision between specific and general provisions in local authorities
- vii. quantify the level of vacant property adjustments processed
- viii. quantify the level of write off of rates income in local authorities by category
- ix. review the number of rates customers and staff involved in rates collection
- x. consider the role of the Valuation Office, the level of back log and the financial impact of this on local authority income.

i. Legislative provision

The Valuation Act 2001 is the legislation through which all relevant properties are assessed and valued by the Valuation Office for rating purposes with further provisions and exemptions introduced in the Valuation (Amendment) Act 2015.

In August 2018, the Government published the Local Government (Rates) Bill 2018 to modernise much of the basis of rates legislation. The legislation will introduce, among other measures, the application of interest on unpaid rates, minimum charges for vacant commercial premises and provisions to allow the local authority to introduce rates alleviation schemes to support national and local policy objectives.

ii. Assessment and Valuation

The valuation of immovable property, such as buildings, factories, shops, railways, canals, mines, woods, rights of fishery and rights of easement over land for rating purposes is carried out by the Valuation Office, with a right of appeal to a Valuation Tribunal.

The annual rates bill for a commercial premises is assessed by applying the Annual Rate on Valuation (ARV) to the valuation of the property concerned to obtain the amount payable in rates. The ARV is set as part of the budgetary process in the local authority and the valuation is determined by the Valuation Office.

iii. Property Entry Levy

Where a property valuation has been received during the year and a full year's rates assessment cannot be carried out, there is a further provision to levy the rate payer.

Property Entry Levy (PEL) is a charge on a newly constructed commercial property for the relevant portion of the year i.e. from the date of valuation to the year end.

Arrears arising from PEL are not included as part of the overall rates arrears balances as per Appendix 7 in the Annual Financial Statements. The total arrears for PEL specific to 2016 is €4.135m (**2015**: €4.909m, **2014**: €4.952m).

iv. Rates Income and Collection

Rates income in 2017 in local authorities was €1,476m (**2016:** €1,468m,**2015:** €1,496m, **2014:** €1,500m). Rates are the single largest source of income in local authorities at 35% of total income in 2017. This percentage can vary between local authorities with rates accounting for 54% of total income in Fingal County Council compared to 14% in Leitrim County Council in 2016.

Rate income collection rates vary widely across local authorities with a high of 96% to a low of 74% in 2017. The average collection rate was 86% in 2017, up from 84% in 2016.

The report reviewed the collection rates obtained by local authorities over the three year period to 31 December 2017 and noted the following

- 25 of the local authorities improved their collection rate in 2017 and 2016 compared with 2015
- Three local authorities marginally increased their collection rate in 2016 but then decreased marginally again in 2017
- One local authority maintained its collection rate in 2016 and had a small increase in 2017
- One local authority had the same collection rate in 2015 and 2017 but had a small increase in 2016 and
- One local authority had a reduced collection rate in both 2017 and 2016 from 2015.

The report also followed up the National Oversight Audit Commission (NOAC) report on collection rates published in April 2016 and compared their results with the questionnaire data for 2016. Improvements were made for all of the sample of local authorities selected in the NOAC report except one.

v. Rates Arrears and Debt Management

The Local Government Management Agency (LGMA) Debt Management Project Group was formed in November 2014 to develop policies and procedures to improve debt management in the area of commercial rates. The group set collection rate targets for each local authority to achieve as a means of improving the rates collection performance in 2016 and again in 2017.

As at 31 December 2017 the closing arrears for rates in all local authorities was €272m (2016: €297m, 2015: €337m). The report found that while the overall arrears are significant they have been decreasing each year, by 8% in 2017 and by 12% in 2016.

When the aged profile of the arrears was reviewed, the report found that;

- in 2016, 50% of the year end arrears related to 2016,
- 21% related to 2015
- the remaining 29% related to prior to 2015. Of this percentage, it was noted that 5% or €13.47m of the total balance relates to years prior to 2012.

Therefore, €13.47m of the debt as at 31 December 2016 was aged 4 years or older.

Typically, it can be more difficult to collect debt the older it becomes.

At the end of 2017, the aged profile was as follows;

- 51% of the year end debt was less than 12 months old
- a further 20% aged between 12 and 24 months
- remaining 29% was aged greater than 24 months. Of this balance €26.9m or 10% of the total year end debt was greater than 4 years old.

The report also reviewed the outstanding arrears for 2016 as a percentage of total rates income accrued for 2016. The lowest collection was 50%, therefore 50% of the current income was unpaid at the year end. The highest percentage was 94%.

vi. Level of bad debt provision in local authorities

In the Annual Financial Statements (AFS) of local authorities, provisions for bad and doubtful debts are not disclosed separately for the individual revenue collection accounts or other categories of debtors. They are shown as a deduction from the total current debtors in Note 5 to the accounts.

It is important to note that the level of provision for bad and doubtful debts, which is an estimate, is dependent on the write-off policy in each authority. However, over half of the responses stated that they had no bad debt provision policy in place.

In 2016 there was a requirement, under Circular 5 of 2016, to separately disclose specific doubtful debts in Appendix 7 of the AFS and deduct these debts when calculating percentage collection rates. This has led to an increase in the collection rates with a greater amount apportioned to the specific bad debt provision.

The report examined the categorisation of the bad debt provision into general and specific provision and found that in 2016 it was 69% and 31% respectively, while in 2015 it was 73% and 27% respectively.

The report found that the levels of provisioning varied significantly in local authorities from a high of 99% to a low of 13%. Eight local authorities had provided for less than 50% of the closing arrears. This needs to be considered in light of the aging of debtors as discussed above, which noted that in 2016, 49% of all debt was over 12 months old.

vii. Vacant property adjustment

The vacancy property adjustment was introduced under Circular Fin 03 of 2016 whereby local authorities credit the customer account where it is accepted that the vacant property satisfies the legislative requirements for a rates refund.

The actual vacancy property relief in 2017 was €106m (**2016**: €124m ,**2015**: €140m) which represents two thirds of the total write off and adjusted back for this year.

Our report reviewed the overall vacancy relief as a percentage of the accrued income in 2016 and found that a number of local authorities had to write off a significant percentage of their accrued income because the rateable properties were vacant for that year. The highest percentage was 26% while the lowest was only 3%.

viii. Irrecoverable Debt and Write offs

Section 26 of the Local Government (Financial Procedures and Audit) Regulations 2014 (S.I. No. 226/2014) provides for the production of a schedule of uncollected rates, reporting thereon to the Elected members and option to publish list of defaulters rather than authority to write off. No evidence was found of the local authority publishing the list of uncollected rates and the ratepayers concerned in recent years.

An analysis of the write offs for the three years to 2017 was obtained for this report. The total amount written off in 2017 was €51.4m (2016: €63.8m), a further €106.1m (2016: €123.7m) was processed as vacant property adjustments and €795k (2016: €823k) was processed as waivers, resulting in total adjustments of €158.2m (2016: €189.5m).

Vacant property relief as a percentage of the accrued income in 2016 varies significantly by local authority. The lowest percentage was in Fingal County Council at 3% while the highest rate was in Mayo County Council at 26%.

ix. Customer profile and staff involved in rates collection

The report reviewed the data received on the number of rates customers and the staff in commercial rates collection section. There are over 145,000 rates customers in local authorities in 2016 and 476 staff working in rates collection with a Whole Time Equivalent (WTE) of 260 staff. The highest number of staff was in Dublin City Council and the lowest were in Leitrim County Council and Longford County Council and each a WTE of 3.5.

This report compared the number of staff involved in rates collection to the number of customer accounts and the collection rate to determine if there was a link between them. The report found that the highest number of customers per WTE had a collection rate of 90% whereas the least number of customers per WTE had a collection rate of 83%. The average collection rate was 82%.

x. The Role of the Valuation Office

A significant revaluation project was been undertaken by the Valuation Office on a phased basis. This was in additional to their valuation work under revision applications.

The report examined a report completed by the Acute Financial Matters Group (AFM). This group was established by the City and County Management Association (CCMA) Finance Committee and it examined the impact that delays in the processing of the revision applications is having on local authorities.

The AFM report stated that as at May 2016 there were 5,934 properties with the Valuation Office awaiting determination of new or revised valuation. The AFM estimates that there is an associated loss of rates income of €23.5m annually to the local authorities as a result of these delays. Updated figures were obtained for this report which showed that as at June 2018 there were 7,417 properties awaiting determination of new or revised valuations.

1. Introduction

1.1 Background

Commercial rates are a property based tax levied by local authorities on the occupiers of commercial or industrial properties. Income derived from commercial rates represents a significant percentage of the total income in a local authority. In 2017 the amount accrued was €1,476m (**2016:** €1,468m, **2015:** €1,496m) which was 34% of the total revenue income collected. This allows local authorities to fund a wide range of services.

The aim of this report is to examine all aspects of commercial rates within local authorities, from the initial levying of the charge, through to collection, aging and profiling of the commercial rate debt and the levels of provisioning for irrecoverable bad debts and write offs.

Revenue income and collection performance is disclosed and reported on in Appendix 7 of the AFS for the main categories of income including commercial rates. The income collection performance of local authorities is a key financial performance indicator which is published every year by the National Oversight and Audit Commission (NOAC).

1.2 Basis for selection

In order to provide data for all of the local government sector it was appropriate to select all 31 local authorities to participate. Using a detailed questionnaire, data was compiled by Local Government Auditors and together with information from local authorities' annual financial statements, all the responses were collated into this report by the Value for Money Unit.

1.3 Scope of the review

The information included in this report arises from the responses received under the questionnaire, which have been signed off by the Head of Finance in each local authority. Other information, which has been included, has been received from relevant stakeholders such as the policy section of the Department of Housing Planning and Local Government (the Department) and the LGMA.

1.4 Methodology

The detailed questionnaire sent to all Heads of Finance with the assistance of Local Government Auditors requested data for the three years to end 31 December 2016 on the following matters;

Rates Income

- Annual rate valuation
- Total rates accrued
- Revenue income as a percentage of total income

Rates Debtors

- Analysis of Appendix 7 of the Annual Financial Statements
- Closing rates arrears and aged analysis as at 30 June 2017
- Analysis of rates customer and debt categories

Provision for Rates Bad Debts

- Analysis of bad debt provision including specific and general
- Bad Debt provision - basis of calculating provision
- Debt management - collection methods (in house, agency or a combination)
- Analysis of write off (vacancy, waivers and other)

Property Entry Levy (PEL)

- PEL charge for the year
- PEL receipts for the year
- PEL closing arrears

Rates Profile

- No. of staff employed in income collection

2. Legislation

2.1 Valuation Act 2001

The Valuation Act 2001 is the legislation through which all relevant properties are assessed and valued by the Valuation Office for rating purposes. A relevant property is rateable under Section 15 of the Valuation Act 2001 in accordance with Schedule 3, Section 1, paragraph (a) of the Valuation Act, 2001 – 2015. Under section 48 and 49, the rate can also be revised or revalued under the Act.

2.2 Valuation (Amendment) Act 2015

The 2015 Act amends several provisions of the Valuation Act 2001. The Act has introduced a number of important new provisions in its own right and has brought about major changes to the statutory code underpinning the assessment of commercial rates in Ireland. However, the 2001 Act remains in force and is the principal act governing valuation law.

The Act aims to facilitate the drawing up, compilation and maintenance of valuation lists so that the valuations fixed on rateable properties in a rating authority area are both (insofar as is reasonably practicable) correct, equitable and uniform relative to each other. This section in the act has been commenced by statutory instrument and has resulted in the revaluation project referred to below. It also provides for in some cases the undertaking, by the occupiers themselves, of all or one or more of the steps in the valuation of certain premises as well as other provisions relating to state property and related matters.

The Valuation (Amendment) Act 2015 introduced a new partial exemption from commercial rates for community sports clubs registered under the Registration of Clubs (Ireland) Act 1904. In 2017, the Valuation Office continued to implement a new provision of the Valuation (Amendment) Act 2015 in connection with community childcare facilities which also exempts them from commercial rates.

2.3 New commercial rates legislation

The Local Government (Rates) Bill, 2018, intended to update the current rates legislation, was published on the 9 August 2018. The legislation has been developed by the Department with input from a Rates Steering Group and a Rates Advisory Group, comprised of rates practitioners, and a project team from the LGMA. The Bill is expected to commence its progression in the Oireachtas in 2019.

The current proposals involve modernising much of the basis of rates legislation, while leaving key functional elements of the existing legal structure unchanged. The main elements of the Bill are as follows:

- A modernisation of rates legislation;
- The application of interest payments on unpaid rates;
- Minimum charges for vacant commercial premises; and
- Provisions to allow the local authority to introduce rates alleviation schemes to support national and local policy objectives.

With the modernisation of much of the rates legislation, it is imperative that new work practices are put in place to reflect these legislative changes. This will ensure that each local authority is adopting a common approach and standardising its implementation. The new legislation offers the opportunity to introduce a more effective system for the administration and collection of commercial rates in Ireland. However, significant preparatory work will be required to develop the policies, procedures and practices required to ensure the efficient and effective implementation of the legislation.

2.4 Local Government (Financial and Audit Procedures)

Regulations 2014

The Local Government (Financial and Audit Procedures) Regulations 2014 (S.I. No. 226/2014) provides guidance to local authorities on the making of the rate and on irrecoverable debts.

2.5 Local Government Reform Act 2014

Section 32 of the Local Government Reform Act 2014 (S.I. No. 146/2014) came into effect on 1 July 2014 and applies to all sales/leases closing on or after 1 July 2014, irrespective of the date of the contract. It introduces a number of important changes to the manner in which rates liabilities are to be treated, namely:

1. Sale of Property - It imposes a statutory obligation on a vendor to notify the rating authority that a sale has taken place and to discharge all arrears for which the vendor is liable (i.e. six years).

Where the rates due by the vendor are not discharged, those unpaid rates will be a charge on the property for a period of twelve years.

2. Transfer of Ownership - It obliges a landlord to notify the rating authority that a tenant has transferred its interest (within two weeks of the assignment).

3. Change of Assignment - It provides that a landlord will be liable "for a charge equivalent to no more than two years of the outstanding rates due" by a previous tenant where (a) the rating authority has not been notified by the landlord of an assignment and (b) the tenant did not discharge the arrears on the assignment.

Any such charge will affect the property for a period of twelve years.

It is proposed in the new rates legislation that section 32 of the 2014 Act will be repealed by the current Bill and some elements of the above section will be replicated in the new Bill.

In order to implement the necessary reform of Commercial Rates planned by the Department, the new legislation should be progressed and enacted. The new legislation will give stronger enforcement powers to allow for a more effective system for the administration and collection of commercial rates in Ireland, than is currently in place.

3. Assessment and Valuation

3.1 Background

Local authorities are under a statutory obligation to levy rates on any property used for commercial purposes, in accordance with the details entered in the valuation lists prepared by the independent Commissioner of Valuation under the Valuation Act 2001. Rating authorities do not have valuing powers.

Rates are assessed on the valuation of immovable property such as buildings, factories, shops, railways, canals, mines, woods, rights of fishery and rights of easement over land. The valuation of such property for rating purposes is carried out by the Valuation Office, with a right of appeal to a Valuation Tribunal.

3.2 Annual rate on valuation (ARV)

In every local authority the elected council members vote to adopt the annual budget for the coming year. It is during this budgetary process that there is a determination of the Annual Rate on Valuation (ARV). This determination is a reserved function of a local authority.

The annual rates bill for a commercial premises is calculated by applying this ARV to the valuation of the property concerned, determined by the Valuation Office, to obtain the amount payable in rates. The valuation on which commercial rates are based, i.e. net effective valuation¹ can vary from year to year as premises are added or valuations revised.

Valuations on new or improved properties are added each year. Valuations on properties that may be demolished or converted to domestic use should not be taken into account in calculating the net effective valuation, though there are delays in the Valuation Office removing such properties. All changes are made on the basis of notification of revised valuations from the Commissioner of Valuation. Only changes received up to the adoption of the annual budget can be included in the rating records for charging purposes. See Appendix 4 for a full break down of each local authority ARV.

¹ The net effective valuation is cumulative total of all valuations of rateable premises in a county.

3.3 The rating process

In accordance with the regulations, and as soon as possible after the ARV has been determined, the rating authority should prepare the rate book. The rate book includes all relevant properties which are liable for rates and includes the following particulars in respect of each property:

- Rate account number
- Name of owner or occupier
- Address
- Description of relevant property
- Rateable valuation
- Remissions (if any)
- Total assessable rateable valuation
- Total for collection

A rating authority can make appropriate changes or amendments to the rate book. Fourteen days, at least, before the making of a rate, the rating authority publishes notice of the deposit of the rate book for inspection in at least one newspaper circulating in the area. The rate is made by Chief Executive's Order (thus is an executive function). After the rate has been made, the rating authority publishes notice of the rate in the local newspapers and in the council.

3.4 Factors which may impact on ARV determination

Rates harmonisation

The Local Government Reform Act 2014 provides for rates harmonisation to cater for differences between Annual Rates on Valuation (ARVs) of former town authorities amalgamating with county council structures. The approach taken to rates harmonisation was to seek to ensure, on the one hand, that harmonisation does not lead to a significant net loss of revenue in individual counties with consequential implications for services

and, on the other hand, that increases in rates do not impact negatively on businesses and employment. The Base Year Adjustment (BYA) provides for a phasing of increases and decreases on the ARV over a five year period and there are some local authorities that have opted to avail of this provision. In some cases it will be 2020 before full harmonisation is applied to the ARV rate.

Rates revaluation

Some local authorities have undergone a revaluation process and with their new property valuation changes they have had to adjust their ARV accordingly. Under the revaluation process, the revised ARV is a fraction of the ARV of those local authorities that have yet to undergo a revaluation process.

4. Property Entry Levy

4.1 Property entry levy

Property Entry Levy (PEL) is a charge on a newly constructed commercial property for the relevant portion of the year i.e. from the date of valuation to the year end. The levy was introduced in 2007 under the Local Government (Business Improvement Districts) Act 2006, which was enacted on the 24 December 2006. The levy is calculated on a newly constructed commercial property for the relevant portion of the year using the:

- Rateable valuation of the property as determined by the Commissioner of Valuation.
- The ARV as determined by the Council.
- The date (entry date) the property is valued for rating purposes (i.e. entered in the valuation list).
- The number of days from the effective valuation date to the end of the year.

While a valuation has been received from the Valuation Office for this new property, the PEL charge is not included in the commercial rates figure in Appendix 7 of the AFS for the year. This is because the property was not included as part of the budgetary process which resulted in the Annual Budget being adopted by the Council members as this takes place in November of the prior year.

4.2 Property entry levy charges and receipts

Our report asked all local authorities for details of their PEL charges (invoiced amounts) and receipts (amounts collected) for the three years ended 31 December 2016 and the results are set out in the exhibit below.

Exhibit 1: Property Entry Levy Charges and Receipts 2014 - 2016

| | 2016 | | 2015 | | 2014 | |
|--|-------------------|-----------|-------------------|-----------|-------------------|-----------|
| | No. of Properties | Amt € | No. of Properties | Amt € | No. of Properties | Amt € |
| PEL Charge per Yr. (Invoiced Amt) | 848 | 7,183,899 | 1,079 | 6,759,700 | 798 | 3,445,842 |
| PEL Receipts | 780 | 7,285,133 | 654 | 6,151,971 | 552 | 2,679,263 |

Source: Survey Questionnaire

4.3 Property entry levy arrears

Arrears arising from PEL are not included as part of the overall rates arrears balances as per Appendix 7 in the AFS. As outlined above this is because PEL charged on new properties is for part of the financial year only and would not have been provided in the annual budgetary process voted and adopted by Council members.

Our report asked all local authorities to provide details of the arrears associated with PEL for each of the three years to end 2016. The total arrears associated with PEL up to 2016 are €4.135m (2015: €4.909m, 2014: €4.952m).

| Exhibit 2: Property Entry Levy Debtors 2015 - 2016 | | |
|---|-----------------------|-----------------------|
| | 2016 Amt € | 2015 Amt € |
| Opening arrears as at 1 Jan | 4,908,717 | 4,951,591 |
| PEL charge for the year (Invoiced Amt) | 7,183,899 | 6,759,700 |
| PEL amounts received in year (Receipts) | 7,285,133 | 6,151,971 |
| Other credits/ adjustments /write-offs | 671,989 | 650,603 |
| Closing arrears as at 31 Dec | 4,135,494 | 4,908,717 |

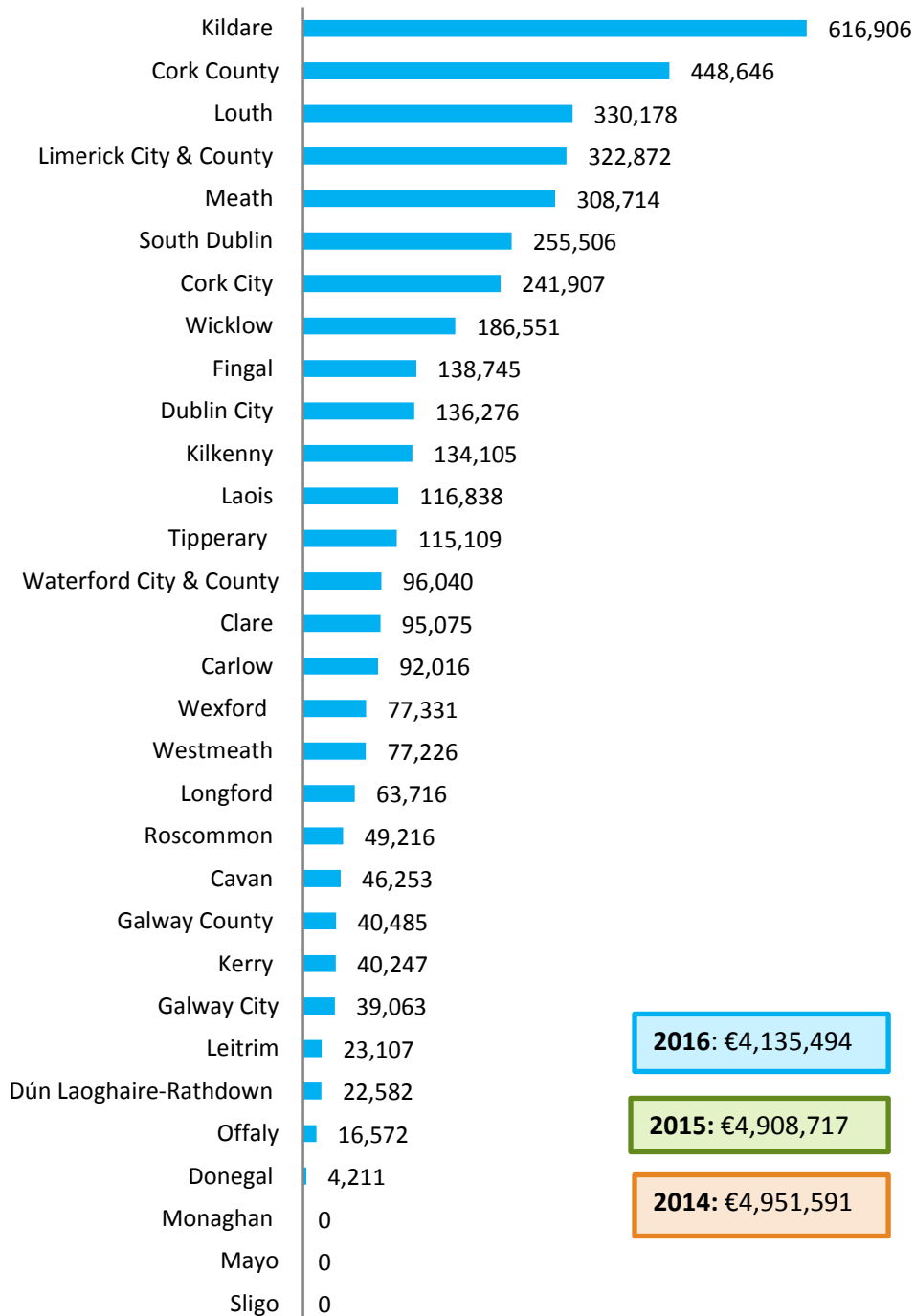
Source: Survey Questionnaire

When taking the opening and closing cumulative arrears up to end December for each of the two years with the amount charged and received in the periods, the report found that there was additional credits /write offs included to calculate the closing arrears outlined above.

Exhibit 3 sets out the cumulative arrears for each local authority and it was noted that, while this has been reduced from 2015 and 2014, it was difficult to determine the number of properties that the arrears were related to and one local authority was not able to provide any information on their PEL arrears. The full listing of the charges receipts and arrears by local authority is set out in Appendices 9 and 10.

In a follow up to this report and in conjunction with local authorities and the GAWG, the current practice of excluding arrears associated with PEL from overall commercial rates arrears in Appendix 7 of the Annual Financial Statements should be reviewed in the context of the new commercial rates legislation and amendments to the draft legislation may have an impact on this.

Exhibit 3: Property Entry Levy Arrears up to 31 December 2016



Source: Survey Questionnaire

5. Rates Income and Collection

5.1 Budgeted rates income

The budgeted figure for commercial rates as set out in Exhibit 4 is a significant percentage of the total budgeted revenue income in local authorities. In 2018, commercial rates is budgeted to account for 32% of all income, totalling €1.51 billion, followed by grants and subsidies (from Central Government) of €1.45 billion (30%), and goods and services €1.44 billion (30%). The Local Property Tax (LPT) will provide €395 million or 8% of total income.

| Exhibit 4: Budgeted Total Revenue Income 2015 - 2018 | | | | | | | | |
|---|--------------|------------|--------------|------------|--------------|------------|--------------|------------|
| | 2018 | | 2017 | | 2016 | | 2015 | |
| | €m | % | €m | % | €m | % | €m | % |
| Commercial Rates | 1,511 | 32 | 1,475 | 35 | 1,468 | 37 | 1,496 | 38 |
| Government Grants & Subsidies | 1,452 | 30 | 1,159 | 27 | 979 | 24 | 780 | 20 |
| Local Property Tax Allocations (incl. PRD adjustments) | 395 | 8 | 395 | 9 | 373 | 9 | 442 | 12 |
| Charges for goods and services | 1,436 | 30 | 1,233 | 29 | 1,186 | 30 | 1,167 | 30 |
| Total | 4,794 | 100 | 4,262 | 100 | 4,006 | 100 | 3,885 | 100 |

Source: Adopted Budgets of Local Authorities

When we examine the rates income in further detail, we can see that the budgeted figure provided for in 2016 was €1,471m. This is in line with the actual amount recorded of €1,468m. The amount budgeted for 2017 shows a small increase to €1,475m.

5.2 Actual rates income

Local authorities recorded over €4,307m in revenue income in 2016 (**2015: €4,065m, 2014: €4,122m**), with commercial rates revenue continuing to be the largest single source of income. The actual income for rates in 2016 was €1,468m, 34% (**2015: €1,496m (37%), (2014: €1,500m: 36%)**).

Exhibit 5: Actual Total Revenue Income 2014 - 2016

| | 2016 | | 2015 | | 2014 | |
|--------------------------------------|--------------|-------------|--------------|-------------|--------------|-------------|
| | €m | % | €m | % | €m | % |
| Commercial Rates | 1,468 | 34% | 1,496 | 37% | 1,500 | 36% |
| Income from Goods and Services | 1,252 | 29% | 1,176 | 29% | 1,253 | 30% |
| Income from Grants and Subsidies | 1,120 | 26% | 878 | 21% | 871 | 21% |
| Contributions from other authorities | 102 | 3% | 128 | 3% | 143 | 4% |
| Local Gov. Fund/ LPT | 312 | 7% | 316 | 8% | 281 | 7% |
| Pension Related Deduction | 53 | 1% | 71 | 2% | 74 | 2% |
| Total | 4,307 | 100% | 4,065 | 100% | 4,122 | 100% |

Source: Overview Report of LGAS 2016

5.3 Rates income as a percentage of total revenue income

The actual income for rates in 2016 was €1,468 million which represents 34% of the total revenue income for this year. This percentage is down on previous years. Appendix 1 provides a full breakdown by local authority for each of the three years to end 31 December 2016.

| Exhibit 6: Rates Income as a % of Total Revenue Income 2014 - 2016 | | | |
|---|------------------------------------|----------------------------------|--|
| Year | Total Revenue Income €m | Total rates income €m | % of overall revenue income |
| 2016 | 4,307 | 1,468 | 34% |
| 2015 | 4,065 | 1,496 | 37% |
| 2014 | 4,122 | 1,500 | 36% |

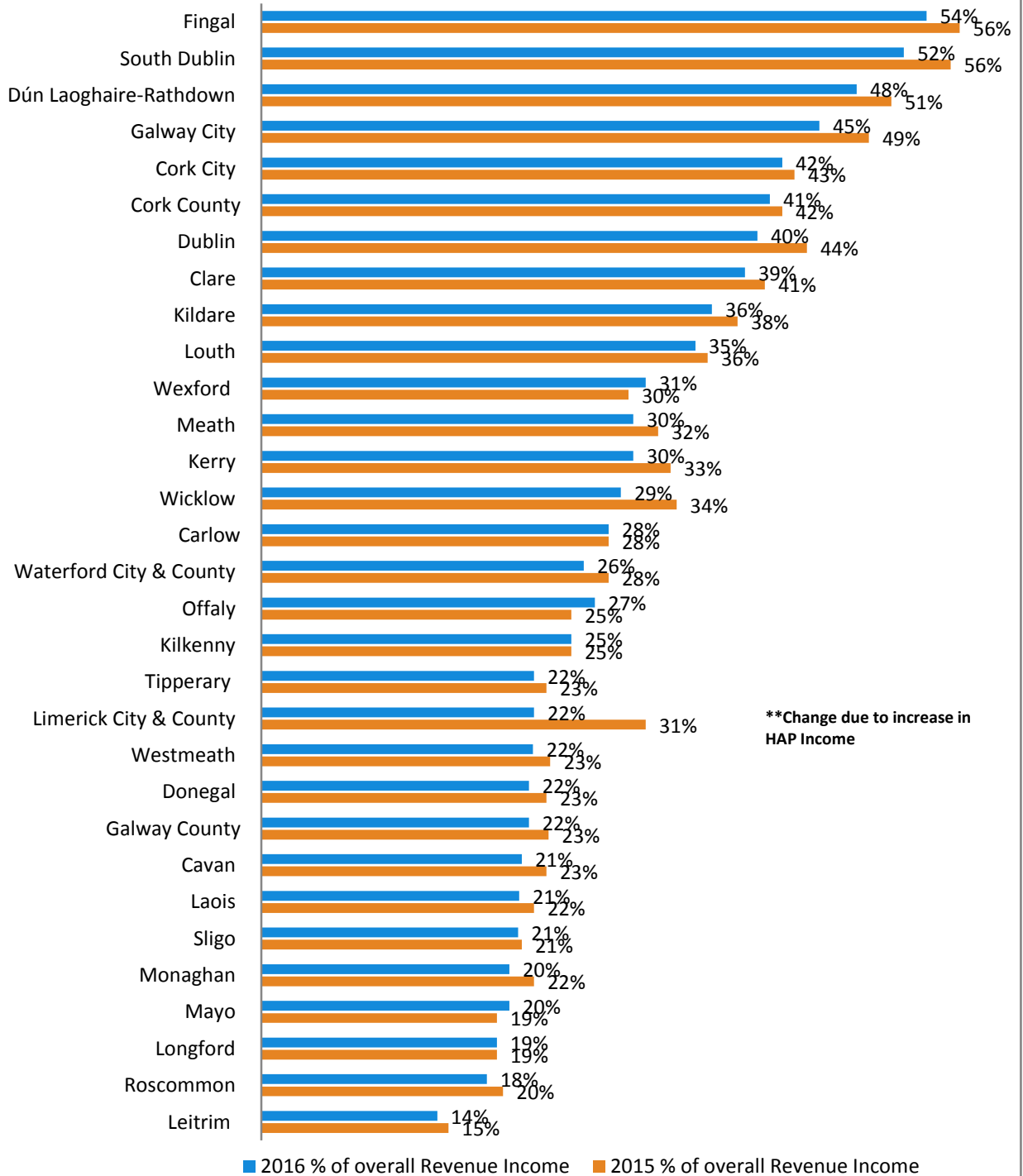
Source: Survey Questionnaire

Exhibit 7 below sets out the rates income as a percentage of overall revenue income in 2016 from highest to lowest. The highest percentage in 2016 was Fingal County Council which receives 54% of its total income from commercial rates. This is due to the presence of some of the largest rate payers in the country being based in this local authority area. Dublin City Council received 40% of its total income from commercial rates, down from 44% in 2015.

In 2016, some of the smaller local authorities such as Louth and Clare County Council have received 35% and 39% respectively of their total revenue income from commercial rates. In smaller counties, a large rate payer can account for a significant proportion of the total rates income in a year. As a result the local authority is very reliant on this one customer for a large percentage of their rates income. Clare County Council noted that one commercial semi state customer, across two properties, which accounts for 30% of their total rates income.

The majority of the smaller local authorities and indeed some of the medium sized rural local authorities have smaller percentages due to a relatively low rate base. The lowest percentage is Leitrim County Council at 14% in 2016 (15% in 2017). These local authorities are more dependent on government grants and subsidies, than any locally generated source of revenue, to fund their day- to- day expenditure.

Exhibit 7: Rates Income as a % of Total Revenue Income 2015-2016



Source: Survey Questionnaire

5.4 Rates collection levels

Rates collection in local authorities is an ongoing area of focus with all local authorities being set rate collection yield targets by the LGMA Debt Management Project Group. The methodology for calculating rates was amended in 2015 after allowing specific doubtful arrears to be excluded from the total for collection figure under Appendix 7 in the AFS.

| Exhibit 8: Rates Income Collection Rates 2015 - 2017 | | | | | |
|---|--|-------------------------------------|----------------------------------|---------------------------------|----------------------------------|
| Year | Specific Doubtful Debt Arrears Excluded | Total Rates Income Collected | Highest % Collection Rate | Lowest % Collection Rate | Average % Collection Rate |
| 2017* | 53,807,355 | 1,341,822,320 | 96% | 74% | 86% |
| 2016 | 53,481,151 | 1,318,402,245 | 96% | 68% | 84% |
| 2015 | 52,104,074 | 1,344,742,056 | 96% | 60% | 83% |

Source: Survey Questionnaire/LGAS Overview Report / * 2017 Audited Financial Statements

As can be seen from Exhibit 9 below and in Appendix 6 of this report

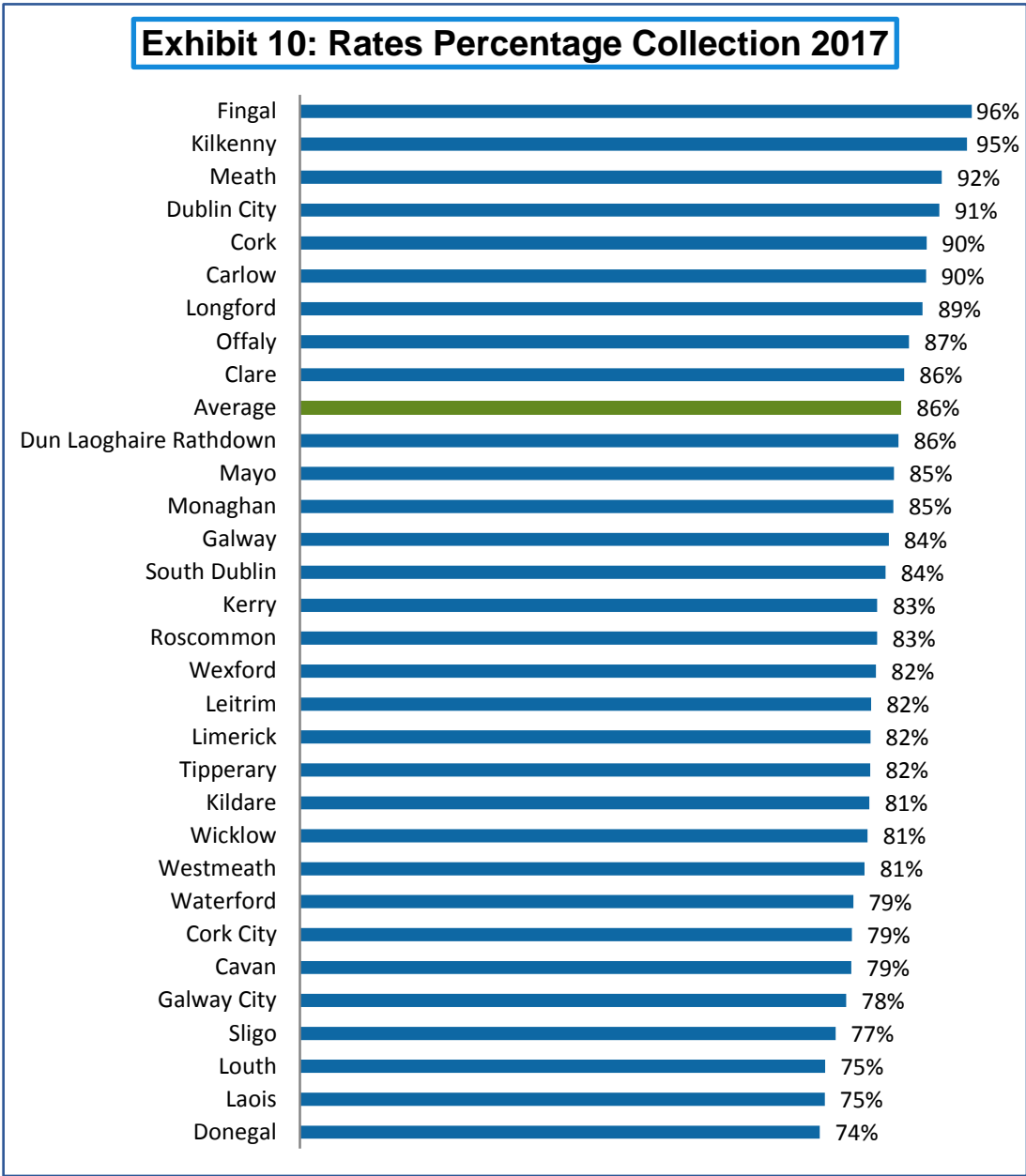
- 25 of the local authorities improved their collection rate in 2017 and 2016 compared with 2015
- Three local authorities marginally increased their collection rate in 2016 but then decreased marginally again in 2017
- One local authority maintained its collection rate in 2016 and had a small increase in 2017
- One local authority had the same collection rate in 2015 and 2017 but had a small increase in 2016 and
- One local authority had a reduced collection rate in both 2017 and 2016 from 2015.

Exhibit 9 below shows the top highest and lowest while Exhibit 10 shows the highest to lowest collection rates with the overall average. A further three year analysis is set out at Appendix 6 of the report.

Exhibit 9: Collection Rates Movement 2015 - 2017

| Highest | 2017 % | 2016 % | 2015 % | Move ment | Lowest | 2017 % | 2016 % | 2015 % | Movem ent |
|----------------|--------|--------|--------|-----------|-------------|--------|--------|--------|-----------|
| Fingal | 96 | 96 | 96 | - | Donegal | 74 | 68 | 63 | +11 |
| Kilkenny | 95 | 94 | 92 | +3 | Louth | 75 | 68 | 60 | +15 |
| Roscommon | 83 | 91 | 93 | -10 | Galway City | 78 | 75 | 72 | +6 |
| Dublin City | 91 | 90 | 88 | +2 | Laois | 75 | 76 | 75 | - |
| Meath | 92 | 89 | 85 | +7 | Sligo | 77 | 76 | 74 | +1 |
| Carlow | 90 | 88 | 84 | +6 | Limerick | 82 | 77 | 75 | +7 |
| Offaly | 87 | 88 | 85 | +1 | Wicklow | 81 | 79 | 76 | +5 |
| Cork County | 90 | 88 | 86 | +3 | Cork City | 79 | 79 | 78 | +1 |
| Average | 86 | 84 | 83 | +3 | Wexford | 82 | 79 | 75 | +7 |

Source: LGAS Overview report



Source: AFS 2017

5.5 Improvement in collection Rates

The LGMA Debt Management Project Group was formed in November 2014 to develop policies and procedures to improve collection rates in the area of commercial rates. The group set collection rate targets for each local authority to achieve as a means of improving the rates collection performance in 2016 and again in 2017.

In February 2018 the debt management group asked all of the local authorities to provide rates collection information for year ended 2017, with a view to setting new target collection rates for 2018. This report obtained collection rates for 2017, and when compared with 2016, there were further improvements in the collection rates in all local authorities.

5.6 Follow up to National Oversight Audit Commission Report No.7 re Rates Collection

As part of its function to scrutinise the financial performance of local government bodies, the National Oversight Audit Commission (NOAC) decided in 2014 that it should undertake a review of rates collection performance by local authorities.

A sample of seven local authorities were selected for the review, which was reported on in April 2016. The report found that considerable arrears had developed in a number of local authorities and in some authorities the amount collected in 2013 fell well short of the annual rates levied.

Our report followed up the findings of this report. In all of the local authorities identified with high arrears, the report found that there was an improvement in the 2017 and 2016 percentages from 2014. However it should be noted that the methodology for calculating collections rates changed in 2015. The process now excludes the specific doubtful debts from the calculation and this may account for some of the improvement.

| Exhibit 11: NOAC Report Updated for 2016 | | | | | | | |
|---|-------------------|-------------------|---------------------|--|-------------------|-------------------|---------------------|
| Collection Rate ^a | | | | Income Collected versus Accrued^b | | | |
| | 2014 % | 2016 % | % change | | 2014 % | 2016 % | % change |
| Louth | 56 | 68 | +12% | Laois | 72 | 77 | +5% |
| Donegal | 56 | 68 | +12% | Kildare | 77 | 88 | +11% |
| Galway City | 66 | 75 | +9% | Mayo | 75 | 75 | -% |
| Leitrim | 60 | 81 | +21% | Roscommon | 79 | 74 | -5% |
| Sligo | 67 | 76 | +9% | Sligo | 76 | 79 | +3% |
| Galway County | 67 | 84 | +17% | Galway County | 81 | 83 | +2% |
| Limerick City and County | 65 | 77 | +12% | Limerick City | 86 | 96 | 10% |
| Laois | 70 | 76 | +6% | Carlow | 74 | 78 | +4% |

Source: Survey Questionnaire/NOAC Commercial Rates Report April 2016

6. Arrears and Management of Aged Debt

6.1 Aged Analysis of Closing Arrears

As at 31 December 2016 the closing arrears for rates in all local authorities was €297m (2015: €337m). Arrears figures for 2017 of €272 million were obtained for this report from the LGMA. Exhibit 12 below shows that the closing arrears are decreasing each year, by 12% in 2016 and by 8% in 2017.

| Exhibit 12: Closing Rates Arrears 2015 - 2017 | | | |
|--|-----------------|----------------|----------------|
| | 2017* €m | 2016 €m | 2015 €m |
| Rates | 272 | 297 | 337 |

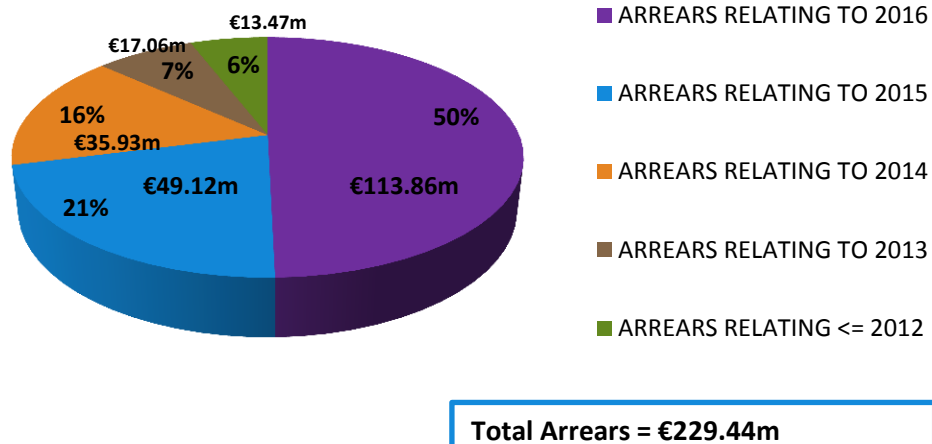
Source: Survey Questionnaire /Audited AFS 2017

This report sought to establish the age profile of the rates debtors. It examined if certain local authorities had more prior year debt than others even where their year-end balance might be lower overall. This would result in a better indication of the likelihood of collection of this debt. Typically it can be more difficult to collect debt, the older it becomes. Due to the fact that all local authorities were not able to provide an aged debtor listing for rates as at 31 December 2016 and it was not possible to retrospectively run an aged listing at the time of this report, it was decided that an aged debtors listing would be run at the 30 June 2017.

In order to establish an accurate aged debtor listing, Local Government Auditors extracted an aged debtor listing as at 30 June 2017. This was completed using the local authority software and running a standard query to obtain the listing. This aged listing included 2017 charges and payments, which were excluded for the purposes of this report.

After the 2017 figures were excluded, the total amount of rates debtors outstanding at 30 June 2017 was €229.4m. Of this balance, 50% related to 2016, 21% related to 2015 whilst the remaining 29% relates to prior years. It was noted that 5% or €13.47m of the total balance relates to prior to 2012. See Exhibit 13 below for the full percentage breakdown and the amounts for each year.

Exhibit 13: Aged Debtor Analysis as at 30 June 2017



Source: Survey Questionnaire

The report found that there were four local authorities that were unable to accurately age profile their debt into the appropriate periods prior to 2012, and in the case of two local authorities the older periods showed a negative balance. When this was queried further, the report found that income and receipts were unable to be fully matched.

The report asked local authorities how they completed their aged analysis and 24 responded. The other three did not provide any information and there are four local authorities which use a different financial system. They use the aged analysis for their rates debtors within this system.

The majority stated that the matching process (RC11) within the financial system (Agresso) was utilised only on specific cases, and given the volume of transactions it was not possible to be completed for this report. Therefore they were unable to extract an accurate aged analysis.

Exhibit 14 below shows that almost half of the local authorities do not use the matching facility (RC11) within the financial system. Instead they use a manual matching exercise with the majority stating that the process is customer specific. They are unable to use the financial systems for their total debtors, which need to be manually matched outside of the system.

Exhibit 14: Process of Completing an Aged Analysis

| Responses | No of LA | Yes | No |
|--|----------|-----|----|
| Using the facility in IT system (RC11) | 24 | 7 | 17 |
| Manually matched | 24 | 13 | 11 |

Source: Survey Questionnaire

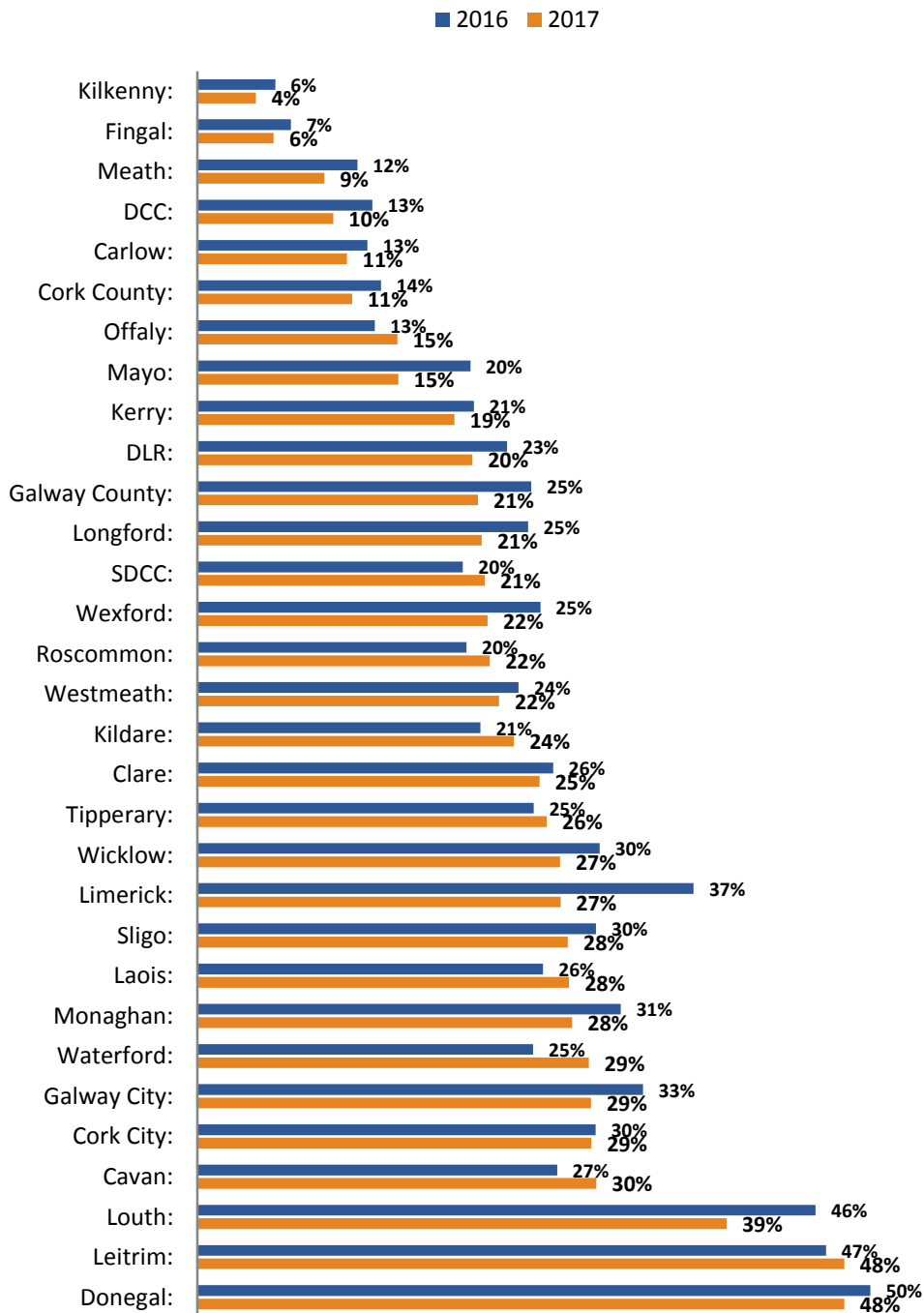
In follow up to this issue, a new report has been developed on the CCAS debt management reporting application, which allows an aged analysis to be run at any date. Previously, the financial system (Agresso) would not allow the aged analysis to be completed for a retrospective date however this has been rectified in 2018 and the aged analysis completed under the LGMA rates survey 2017 referred to under section 6.3 used this new facility.

6.2 Arrears as a Percentage of Accrued Income

Using the data obtained in the questionnaire for each local authority, the outstanding arrears relating to 2016 was compared with the income accrued for 2016. The results show that the lowest collection was 50% with half of the current income remaining in arrears as at the year-end. The highest was over 94% with only 6% outstanding at year end. When comparing these percentages with 2017 data received by the LGMA under their rates survey in 2018, there was an improvement in twenty two of the local authorities, with nine showing a marginal disimprovement of between 1% and 4% .

Exhibit 15 sets out the 2016 and 2017 percentages for closing arrears to accrued income by each local authority.

Exhibit 15: Closing Arrears as a % of Accrued Income 2016-2017



Source: Survey Questionnaire

6.3 LGMA Debt Management Project Group

The LGMA Debt Management Project Group was also set up to develop policies and procedures to improve debt management in the area of commercial rates. The group worked closely with the LGMA and the Institute of Public Administration (IPA) between 2015 and 2017. A national debt management training programme for staff working in the area of collection of rates (run by the IPA) is in place having commenced in 2016.

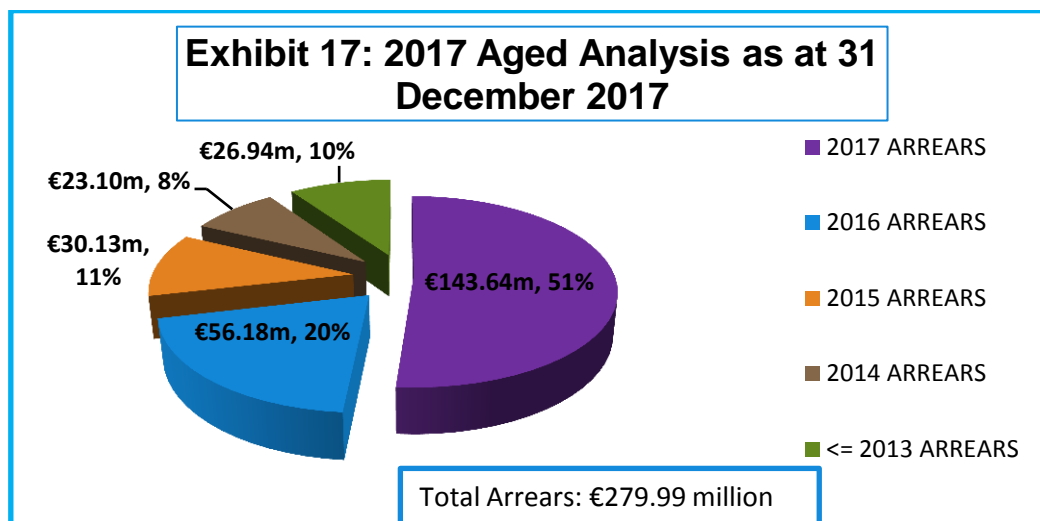
In February 2018, the debt management project group completed an aged analysis for the year ended 2017 to establish an overall view of the outstanding debt at that time. It was noted that the aged analysis was extracted prior to the completion of the AFS at the end of March and would be expected to change following submission of the AFS to the Department.

Our report reviewed the information received from the LGMA. It found that there was a difference between the closing arrears ,€272m, per the audited AFS 2017 under Appendix 7, and with the aged analysis amount of €280m, which excluded credit balances. When this difference was queried during the report, it was confirmed that, while all the Appendix 7 figures in the AFS were verified to the draft financial statements submitted to the Department, local authorities were not requested to submit updated details on the aged analysis or any other area of the 2017 rates survey. There were amendments on four local authorities original Appendix 7 submission compared to the final verified return in the 2017 draft AFS. See Exhibit 16 below, with a further break down by local authority at Appendix 3 in this report, while Exhibit 17 sets out the aged analysis figure.

| Exhibit 16: Analysis of Appendix 7 in Annual Financial Statements 2015 - 2017 | | | |
|--|--------------|--------------|--------------|
| | 2017 | 2016 | 2015 |
| | €'m | €'m | €'m |
| Opening Arrears 1 Jan | 297 | 337 | 394 |
| Accrued | 1,476 | 1,468 | 1,496 |
| Write Offs & Adjustments* | 159 | 189 | 208 |
| Total due for Collection | 1,614 | 1,616 | 1,682 |
| Collected | 1,342 | 1,319 | 1,345 |
| Closing Arrears 31 Dec | 272 | 297 | 337 |
| Specific Doubtful Arrears | 54 | 53 | 52 |
| Collection % | 86% | 84% | 83% |

Source: Audited AFS 2015 - 2017 *includes rounding

It was also noted that for standardisation and consistency, all local authorities were requested to use the same debt management CCAS report for their aged analysis and exclude any credit balances in their aged listing. By doing so, this would result in a difference to the year-end figure in the AFS.



Source: LGMA Survey results 2017/ 2017 Financial Statements

This aged analysis was completed in February 2018 for 31 December 2017. While it is not in line with the unaudited draft financial statements, it is very useful for comparing a breakdown of the aging of the debts between 2016 and 2017.

When the aged analysis completed as part of our report questionnaire is compared with the LGMA aged analysis, Exhibit 17 shows that at the end of 2017, 51% of the year end debt was less than 12 months old, with a further 20% aged between 12 and 24 months. Six months into 2017, our aged analysis for 2016 showed that 50% of the debtor balance was less than twelve months old, with a further 21% aged between 12 and 24 months.

When we examined the older debt prior to 2013, our analysis, in June 2017, showed there was still €30m of debt outstanding for 2016 per Exhibit 13. However six months later this had only reduced by €3m at almost €27m per Exhibit 17.

While there are good collection rates for the current year debtors, the collection rate for older debt is usually low. This is in line with our experience that traditionally the older the debt is, the harder it is to collect. However, some of this debt may be the subject of lengthy court proceedings or company insolvencies/liquidations. The local authority retains the debt on its books until it is determined if any funds are available to settle the debt.

It is suggested that, in addition to the overall annual collection rate targets currently set by the LGMA debt management project group, specific target collection rates should also be set for those older bands of arrears outstanding.

6.4 Debt Management System

As part of the information gathering under the 2017 rates survey, the debt management project group asked all local authorities to identify the main debt management systems used by them to report and manage rates arrears.

| Exhibit 18: Analysis of Debt Management Systems in Use | | |
|---|--------------------------------|-------------|
| Debt Management System | No of Local Authorities | % |
| Ascendas or Other | 10 | 32% |
| Combination | 11 | 36% |
| Agresso system only | 4 | 13% |
| Other Financial System | 4 | 13% |
| CCAS Reporting only | 2 | 6% |
| Total | 31 | 100% |

Source: LGMA Survey results 2017

The results in Exhibit 18 showed that, of 31 local authorities, 27 use the FMS system (Agresso) while 4 use a different FMS system. A third of responses use Ascendas while a further third uses a combination of the CCAS reporting with the FMS system (Agresso).

6.5 Debt Management Methods

This report asked all local authorities if certain parts of their debt management process were outsourced to an agency or if all of the debt management was completed internally. The results in Exhibit 19 below showed that the majority of local authorities follow outstanding debt internally until their procedures are exhausted. The debt is then referred for legal proceedings where required.

| Exhibit 19: Analysis of Collection Methods | | | |
|---|-------------------|---------------------------|--------------------|
| Debt Management System | In house | Out sourced Agency | Combination |
| | No. of LAs | No. of LAs | No. of LAs |
| Issuing rate demands | 31 | 0 | 0 |
| Issuing reminder letters – Six day notice letters | 30 | 1 | 0 |
| Legal proceedings | 6 | 18 | 7 |
| | | | |

Source: Survey Questionnaire

Exhibit 19 above shows that eighteen local authorities used external legal firms for the final stage of collecting the debt through the courts. A further seven used a combination of internal and external firms at this stage in the process. Only one local authority used an external agency for the earlier stages in the process, issuing demands and reminders etc.

7. Bad Debt Provision

Bad debt provisions in the financial statements of local authorities is the prudent method of providing for the likelihood that not all income levied will be received in full for a financial year. In the AFS of local authorities, provisions for bad and doubtful debts are not disclosed separately for the individual revenue collection accounts or other categories of debtors. They are shown as a deduction from the total current debtors in Note 5 to the accounts

A general provision is where the local authority provides for an overall percentage of debts that will not be recovered. This figure is credited from the year end debtors in the Balance Sheet. No customer account is deducted for any element of the provision.

A specific provision is where a customer is identified and some or all of their outstanding debt is provided for in the provision. In this instance the provision is based on a specific event such as liquidation, receivership, examinership etc., and there is a high likelihood that these debts will not be recovered. However the event has not taken place yet and therefore the debt is only prudently provided for, and not written off the customer account.

7.1 Bad Debt Provision

In 2016 the split of the bad debt provision into general and specific provision was 69% and 31% respectively, while in 2015, the split was 73% general and 27% specific. In 2016 there was a requirement, under Circular 5 of 2016, to separately disclose specific doubtful debts in Appendix 7 in the AFS and deduct these debts when calculating percentage collection rates. This has led to an increase in the collection rates with a greater amount apportioned to the specific bad debt provision.

| Exhibit 20: Analysis of Bad Debt provision 2014 - 2016 | | | | | |
|---|--|-----------------------------|---|-----------------------------|--|
| Year | General Bad Debt Provision At 31 December | % of Total Provision | Specific Bad Debt Provision At 31 December | % of Total Provision | Total Bad Debt Provision At 31 December |
| 2016 | 146,987,424 | 69% | 65,250,858 | 31% | 212,238,282 |
| 2015 | 171,867,450 | 73% | 62,316,728 | 27% | 234,184,178 |
| 2014 | 222,430,495 | 83% | 44,451,457 | 17% | 266,881,952 |

Source: Survey Questionnaire

Appendix 8 sets out the full break down by local authority of the closing arrears including the specific doubtful arrears and compares this to the closing bad debt provision split between general and specific bad debt provision.

7.2 Bad debt provision as a percentage of arrears

This report reviewed the level of provisioning and found that levels varied from provision of the majority of the closing arrears to only providing for 13% of the year end arrears. While the average percentage was 72%, eight local authorities provided for less than 50% of their arrears. Provision for a large portion of closing arrears does not mean that the debt will not be actively pursued until it is collected in full. It is a prudent way of providing for a potential loss of non-collection.

| Exhibit 21: Bad debt provision as a % of closing arrears for 2016 | | | | |
|--|-------------------|------------------------|---|-----------------------------------|
| % Range | No of LA s | Closing Arrears | Specific Doubtful Arrears per Appx 7 | Closing Bad Debt Provision |
| 80% - 100% | 12 | 137,981,830 | 22,359,897 | 119,527,663 |
| 60% - 79% | 7 | 74,418,685 | 13,051,745 | 52,207,057 |
| 40% - 59% | 8 | 65,769,274 | 13,737,244 | 34,214,743 |
| 20% - 39% | 3 | 16,615,396 | 2,882,361 | 5,965,815 |
| Under 20% | 1 | 2,424,593 | 1,449,904 | 323,004 |
| Total | 31 | 297,209,778 | 53,481,151 | 212,238,282 |

Source: Survey Questionnaire

Appendix 8 sets out the full listing by local authority. Exhibit 21 above shows the % ranges of provisions for 2016 compared with the closing arrears and specific doubtful arrears.

This is in line with the issues raised in the 2017 statutory audit reports on the inadequacy of the bad debts provision in the AFS.

7.3 Specific provision

According to Circular Fin 3 of 2016, a specific bad debt provision/vacancy provision must be included in the accounts and at a minimum, cover the full value of the specific doubtful arrears total. The categorisation of specific doubtful arrears must be consistently applied.

The report compared the specific doubtful arrears figures in Appendix 7 in the 2016 AFS and the specific doubtful debt provision per the report questionnaire. It found that 18 local authorities have fully provided for the amount included in their specific doubtful arrears.

The other 13 local authorities did not have the correct categorisation between general provision and specific provision. This was not in line with the instructions contained in the above circular. The report could not ascertain fully whether there was an under or over provision in these cases. Overall there was an adequate amount provided between the general and the specific provision. See Appendix 8 in this report for the full breakdown by local authority.

7.4 Method of calculating bad debt provision

This report found evidence that the level of provision varies widely across local authorities. It is important to note that the level of provision for bad and doubtful debts, which is an estimate, is dependent on the write-off policy in each authority. Local authorities should therefore implement a realistic write-off policy in respect of amounts due to them.

The report asked all local authorities what methods were used as a basis for the calculation of the bad debt provision. 29 local authorities responded with the following;

- Only 12 stated that they had a bad debt provision policy in place
- The majority responses stated the provision is based on the case history of the customer and their likelihood and ability to pay the arrears
- Over half stated that they also used a percentage of the balances outstanding or of the oldest balances outstanding
- Only a small number stated that legal proceedings were a factor when calculating the provision.

In the LGMA rates survey 2017, all local authorities were asked to update the information and the exhibit below sets out the basis used for 2017. 29 responded and the replies were broadly in line with our report questionnaire results.

| Exhibit 22: Analysis of basis for bad debt provision | | |
|---|--------------------------------|-------------|
| Calculation Method | No of Local Authorities | % |
| Customer specific - case history | 13 | 42 |
| % basis on overall arrears | 8 | 26 |
| Combination of both the above | 4 | 13 |
| Other basis such as affordability | 3 | 10 |
| None | 1 | 3 |
| Information not provided | 2 | 6 |
| Total | 31 | 100% |

Source: Survey Questionnaire/LGMA survey results 2017

When these results are compared with the report survey questionnaire results, we see that the majority of local authorities use an overall percentage calculation, while also using the case history of the rates customer and the likelihood of recovering the debt. This allows each local authority to provide for a general provision based on the percentage and a specific provision based on the case history of the customer.

Arising from these results local authorities should ensure that there is better categorisation between specific and general provision especially if higher specific doubtful debt arrears have been disclosed in the published Appendix 7 in the AFS. Each local authority should review the categorisation and basis for the bad debt provision to ensure that the bad debts have been adequately provided for. The adequacy of the bad debt provision is a matter commonly raised in statutory audit reports every year.

8. Irrecoverable Write offs

8.1 Background

Section 26 of the Local Government (Financial Procedures and Audit) Regulations 2014 (S.I. No. 226/2014) sets out the legal provisions for the treatment of irrecoverable bad debts.

Under section 26. (1) a rating authority shall, not later than 30 days after the close of a local financial year, prepare a schedule of uncollected rates at the close of that year and indicate thereon the reasons for non-collection of the rates.

The arrears are considered the Head of Finance, usually, in consultation with the revenue collector, who may decide to strike them off as irrecoverable, direct that they be carried forward to the following year's warrant or disallow the claim and direct the collector to lodge the amount concerned.

Under Section 26. (2) after the schedule referred to in paragraph (1) has been prepared, the Chief Executive (CE) shall submit a report thereon to the elected members of the local authority at the next practicable meeting of the Council. In practice this is usually at a high level as part of CE quarterly reporting to members and production of the year end AFS.

Under Section 26.(3) a local authority may publish in local newspapers a list of uncollected rates and the ratepayers concerned, though there is no evidence of such a course of action being taken in recent times.

8.2 Analysis of Write offs relating to Irrecoverable Debts

An analysis of the write offs was obtained for our report and further information for 2017 was received from the LGMA rates survey. Exhibit 23 below sets out the breakdown for the three years to end 2017.

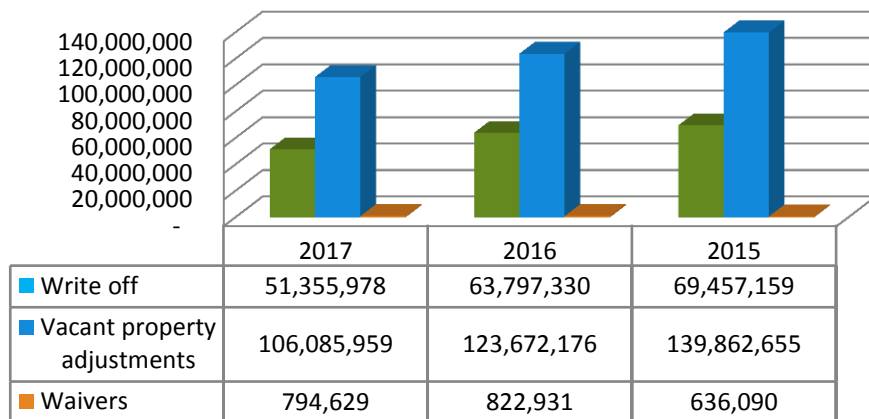
Write offs primarily include the following items:

- Amounts written off where the company is insolvent, in receivership or examinership and cannot discharge its outstanding debts and where the receiver etc. has indicated that it is unlikely that a dividend will be paid
- The ratepayer cannot be located following all reasonable efforts to do so
- The sheriff has confirmed that there are no goods following legal proceedings and the company is no longer trading.

Waivers are schemes under section 2(1) of the Local Government (Rates) Act 1970. The making of a scheme is a reserved function and it is subject to the consent of the Minister for

Housing, Planning and Local Government. No rates waiver schemes have been consented to in respect of commercial property. In three local authorities, write offs categorised as waivers in 2016 totalled €822,931, reducing to €794,629 in 2017. In line with previous years, the main basis for write-offs cited by local authorities were vacant properties, liquidation/receiverships, and exemptions (e.g. charities). In some cases, de-rating by the Valuation Office, domestic use, dereliction, partial usage, bad debt and amounts deemed uncollectable and council property also featured.

Exhibit 23: Break down of Write offs 2015 - 2017



Source: Survey Questionnaire/ Audited AFS 2017

8.3 Vacant Property adjustment

Rates are payable on all properties, whether occupied or not. In the case of an unoccupied property, the liability for rates falls on the owner. An application for a refund of rates on vacant property may be made when the following conditions are satisfied:

- the property was vacant at the date of making of the rate and it must have been vacant for one of the following reasons
 - vacant for repairs/alterations or
 - vacant for letting (not for sale) or
 - vacant pending demolition or re-development

Where the above conditions are satisfied and the applicant completes the appropriate declaration and submits supporting documentation, a refund of rates may be made, based on the local refund policy as adopted at budget. The applicant is not entitled to a refund of rates if the property is available for sale rather than letting. A refund of up to 100% of the rates paid for the period of vacancy can be made.

In 2015 there was a requirement to disclose the vacant property relief separately in Appendix 7 of the AFS. Prior to 2015, many local authorities included the vacancy property relief in the general write-off figure as part of the overall write off figure in the AFS with only a small number making a separate disclosure for the relief.

However it is important to make the distinction between the write off amount which is due to an irrecoverable debt and the vacancy property adjustment which is an amount refunded to the rates customer.

The vacancy property adjustment was introduced under Circular Fin 03 of 2016 whereby local authorities credit the customer account where it is accepted that the vacant property satisfies the legislative requirements for a rates refund.

The actual vacancy property relief in 2017 was €106m (**2016: €124m, 2015: €140m**) which represents two thirds of the total write off and adjusted back for this year. This was a decrease from the previous year with a small increase in the percentage.

Exhibit 24: Vacant Property Relief as a % of Total write-offs and adjustments 2015-2017

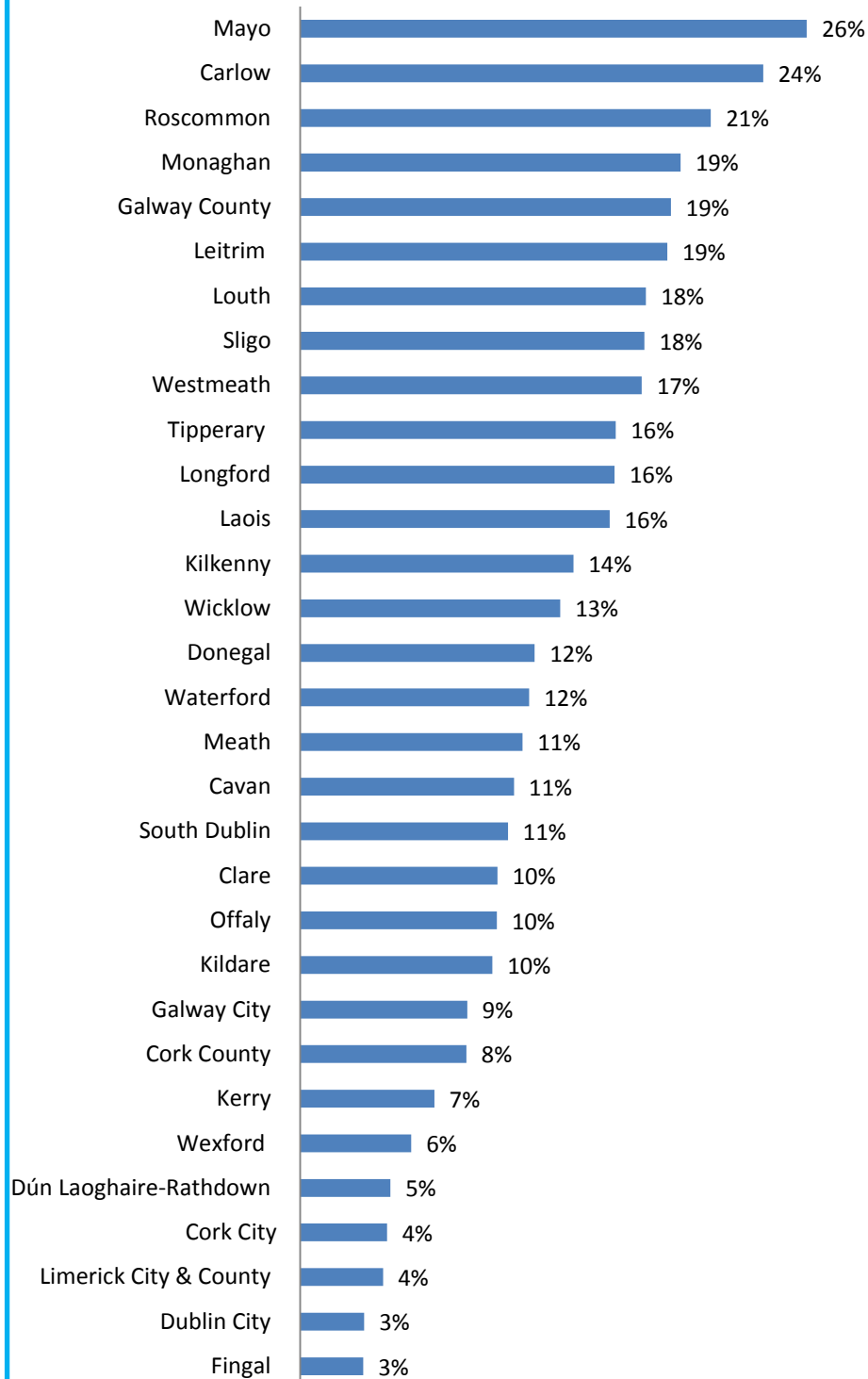
| Year | Vacant Property Relief € | % of Total Amt Written off and adjusted back |
|-------|--------------------------|--|
| 2017* | 106,085,959 | 67% |
| 2016 | 123,672,176 | 66% |
| 2015 | 139,862,655 | 67% |

Source: Survey Questionnaire / Audited AFS 2017

8.4 Vacancy property relief as a percentage of Accrued Income

Our report reviewed the overall vacancy relief as a percentage of the accrued income in 2016. It found that a number of local authorities had to write off a significant percentage of their accrued income because the rateable properties were vacant for that year. Exhibit 25 below sets out the total vacancy relief write off as a percentage of accrued income by each local authority for 2016. The lowest percentage was Fingal at 3% while the highest was Mayo at 26%. The report has excluded the data on other specific write offs as a % of accrued income as this data is not comparable as the timing of when the write off is processed varies in every local authority and could be for a number of years as is the case with some liquidations.

Exhibit 25: % Vacancy Property Relief to Accrued Income 2016



Source: Survey Questionnaire

9. Profile of Rates Customers and Staff

9.1 Rates Customer Numbers

All local authorities were surveyed in 2018 by the LGMA and asked to provide details of the number of rates customers that were on hand at each of the three years to date. The exhibit below sets out the total numbers which are consistent for each of the three years.

| Exhibit 26: Estimated Total No. of Rates Accounts | | |
|--|-------------|-------------|
| 2018 | 2017 | 2016 |
| 146,612 | 146,756 | 145,816 |

Source: LGMA Survey Results 2017

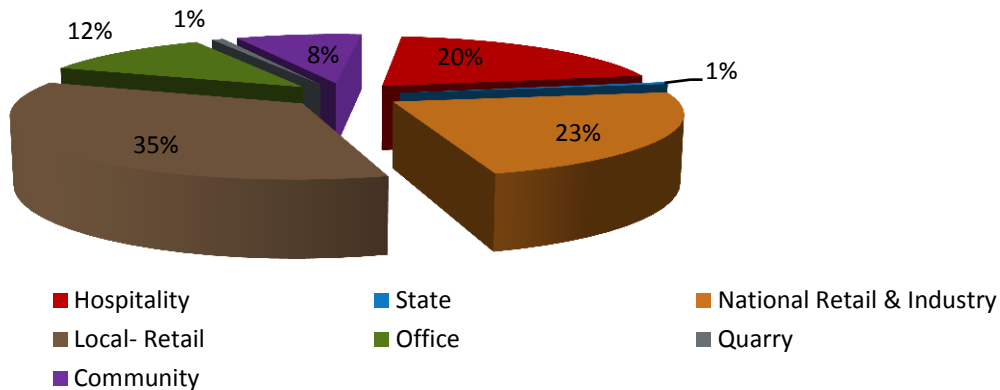
Exhibit 26 sets out the information obtained for this report and from a review of the replies received, the report found that there was a lack of consistency in the way in which some local authorities captured their customer base. Some used the address of the premises while others used the address of the tenants in the commercial property. This may result in a small amount of duplication for customers that occupied the same premises.

It was also noted that the current revaluation project will result in changes to the number of rates customers based on the revised valuation for certain smaller local authorities.

9.2 Categories of Rates Customers

Exhibit 27 sets out the various categories of rates customers. The information was based on data submitted to the LGMA for 2016 however not all local authorities were able to provide the information for all of the year requested.

Exhibit 27: Commercial Rates Customer Categories 2016



Source: Survey Questionnaire

9.3 Staff involved in Rates Collection

In local authorities there is a wide variation in the allocation of staff to rates income collection and the majority of staff working in this area also work in other income collection roles. Therefore the report found that it was difficult to separately identify those staff that only worked in rates collection in any local authority. The responses from our report questionnaire varied as some local authorities included finance staff, who are involved in the administration of the Valuation Office database, billing and collection of commercial rates, in addition to revenue collectors in the WTE amounts while others only included revenue collectors. The highest staff number was understandably Dublin City Council, while the lowest was 3.5 WTE in both Leitrim County Council and Longford County Council. Exhibit 28 below shows the number of staff (WTE) employed in the income collection sections at 31 December for each of the three years. The lowest WTE shown below is for Leitrim County Council

Exhibit 28: Number of Staff involved in income collection at 31 December 2014-2016

| | 2016 | | 2015 | | 2014 | |
|---------------------------|-----------|--------|-----------|--------|-----------|--------|
| | Headcount | WTE | Headcount | WTE | Headcount | WTE |
| Total No. of Staff | 476.04 | 259.66 | 503.90 | 245.95 | 490.24 | 240.53 |
| Highest | 43.00 | 14.00 | 47.75 | 14.00 | 49.75 | 14.00 |
| Lowest | 6.00 | 3.50 | 5.00 | 2.92 | 5.00 | 2.96 |
| Average | 15.36 | 8.38 | 16.25 | 7.93 | 15.81 | 7.76 |

Source: Survey Questionnaire

9.4 The role of the Revenue Collector

In every local authority there is sanction for the appointment of a person to collect revenue, usually titled Revenue or Rates Collector. The revenue collector is required to collect revenue in certain geographical areas in each local authority and the areas are allocated either by size/population or by the municipal districts divisions within the county. Revenue collectors may also be responsible for other types of income collections. These may include rents, water charges, refuse charges, development charges and housing loans.

The general procedure where a collector is unable to obtain payment in the normal way is to summons the defaulter before the Courts to obtain a decree for the rates due and costs. Judgment mortgages may also be obtained and registered against the property.

Under law a rate collector has the power to seize the goods of a defaulter to the value of the rates owed. Under the same Act rates owed by a ratepayer may be set off against any monies owed by the council to that ratepayer.

9.5 Comparison of staff versus number of Customer Accounts

Using the information obtained for the 2017 LGMA survey and our own survey questionnaire, the report compared the number of staff involved in rates collection by the no. of rateable customers that each local authority held at the end of 2016.

| Exhibit 29 No. of Rates Customers per No. of staff involved in income collection (incl. rates) for 2016 | | | | | |
|--|--------------------|------------|--------------------------------|--------------------------------|--------------------------|
| | No of staff | WTE | No of Customer Accounts | Customers per WTE staff | Collection Rate % |
| Overall Total | 476.04 | 259.66 | 145,816 | 561.56 | 82% |
| Highest no. of Customers per WTE | 43.00 | 14.00 | 20,615 | 1,472.50 | 90% |
| Lowest no. of Customers per WTE | 6.00 | 3.50 | 1,224 | 349.71 | 81% |
| Average | 15.36 | 8.38 | 4,704 | 569.45 | 82% |

Source: Survey Questionnaire /LGMA 2017 Rates Survey

10 The Role of the Valuation Office

The Valuation Office is the appointed state body which provides valuations of commercial and industrial properties to ratepayers and rating authorities as legislated for under the Valuation Act 2001 and the Valuation (Amendment Act) 2015. Local authorities use these valuations to calculate the rates liability on commercial premises. The Valuation Office website states 'The core business of the Office is the provision of accurate, up to date valuations of commercial and industrial properties to ratepayers and rating authorities as provided for by the Valuation Act 2001 and the Valuation (Amendment) Act 2015'.

Local authorities have no role in determining valuations of property for rating purposes. They are wholly dependent on the Valuation Office for this purpose. There are approximately 150,000 commercial and industrial properties which are liable for payment of rates in Ireland.

According to the Annual Report for 2016 of the Valuation Office, 'during 2016, the Office also conducted a significant programme of revision of existing valuations. Valuations of new buildings and valuations of alterations and extensions to existing premises resulted in an additional rates income of €16.258 million to Local Authorities.'

The Annual Report for 2017 stated that 'during 2017, the Office also conducted a significant programme of revision of existing valuations. Valuations of new buildings and valuations of alterations and extensions to existing premises resulted in an additional net rates income of €25.328 million to Local Authorities'.

In December 2017, as part of the planned merger of a number of state bodies (the Property Registration Authority, Ordnance Survey Ireland and the Valuation Office) to Tailte Éireann, the Government decided that the functions of the Valuation Office should be transferred from the Department of Justice and Equality to operate under the aegis of the Department of Housing, Planning and Local Government, as and from 1st January 2018.

At the end of 2017, a total of 125.25 full-time equivalent staff were serving in the Valuation Office. Arrangements are in place for the appointment of an additional eight staff in early 2018.

10.1 Other work of the Valuation Office

Revaluation project

The Valuation Office is currently engaged in a national programme to revalue all commercial and industrial properties in Ireland. The purpose of a revaluation is to redistribute commercial rates liabilities among ratepayers based on up-to-date market rental values.

Accordingly, following revaluation, there is a much closer relationship between contemporary rental values and commercial rates liability. Some ratepayers experience reduced rates liability while others experience increased liability from the process of redistribution.

Following the exercise it is expected there will be a more equitable and uniform distribution of the rates burden. The purpose of these revaluations is to bring more equity, fairness and transparency into the local authority rating system for non-domestic property.

Under Phase 1 of the National Revaluation Project, revaluations have been carried out in all four Dublin local authorities, Waterford, and Limerick City and County Council. The valuation of a property is based on its annual rental value at the date of valuation. The date of valuation for local authorities under revaluation in 2017 is 30th October 2015.

A further ten local authorities were completed in 2017 with revaluations of counties, Carlow, Kildare, Kilkenny, Leitrim, Longford, Offaly, Roscommon, Sligo, South Dublin (2nd revaluation) and Westmeath being finalised in September 2017. The new valuations in these ten local authorities will take effect from 2018. In January 2017, a total of 7,517 ratepayers in counties, Leitrim (1,090), Longford (1,404), Roscommon (2,074) and Westmeath (2,969) received their Proposed Valuation Certificates.

In March 2017 ratepayers in a further six local authorities referred to above received their Proposed Valuation Certificates (South Dublin – April 2017 - 2nd revaluation). After the first revaluation was completed, this resulted in the publication of over 29,000 new valuations. The legislation requires that recurring revaluations must take place every five to ten years to reflect economic developments.

A new revaluation project for 2019 has now been rolled out and will result in the revaluation of approximately 30,000 properties in the following local authorities (Cavan, Louth, Meath, Monaghan, Tipperary, Wexford and Wicklow). The Fingal County Council rating authority

area will undergo a second revaluation as part of revaluation project 2019 (REVAL 2019). The new valuations for the eight areas will be published in 2019 and become effective for rates purposes from 2020 onwards.

Occupier Assisted Valuation

In December 2017 Laois County Council commenced its revaluation process using elements of self-assessment known as “Occupier Assisted Valuation” (OAV). This is the first time that this approach has been undertaken for the revaluation of commercial properties in Ireland, and, if successful, the initiative could result in the OAV approach being used subsequently in other areas. The project will result in the revaluation of approximately 2,000 properties in County Laois. New valuations have been published in late 2018 and will become effective for rates purposes from January 2019.

10.2 New property valuation - applications for revision

In addition to rolling out the national revaluation programme, the Valuation Office provides valuation services for rating purposes to all local authorities whereby existing and new properties have their valuations entered in the Valuation List as part of a process known as “revision” of valuation. Applications for revision of valuations arise from a material change to an existing commercial property such as an extension, a subdivision or an amalgamation of two or more properties or the completion of a completely new commercial property. Once a revision application has been made the Commissioner appoints a valuer [revision manager] to investigate the application and if appropriate to value the new/altered property.

The Valuation Office recently confirmed that in 2016, 3,297 revision applications were processed by the Valuation Office. In 2017, the corresponding figure was 4,871. To date (24/8/2018), the number of revision application already processed by the Valuation Office is in excess of 7,000. The office endeavours to process each revision application within six months of the application being made.

Delays in the rating of new or improved commercial properties impact directly on the finance available to local authorities for the provision of local services. The annual loss of potential commercial rates as a direct result of the delays in completing valuations is cumulatively significant in terms of service provision and securing potential financial stability for local authorities.

An associated issue is the methodology used to identify rateable properties as a result of either new build or change of occupancy. Changes in business process in local authorities over recent years has exacerbated the difficulties in identifying in a timely manner where such a liability comes into effect i.e. a new build requiring valuation or where a change of ownership or occupancy takes place (in the context of an existing valuation).

10.3 New property valuation - Delays in processing applications for valuation

The Acute Financial Matters Sub Group (AFM) has been established by the CCMA Finance Committee. It has been tasked with identifying, documenting and discussing the acute financial matters that are having or will have an unacceptable impact on the finances of local government. These delays in processing applications have resulted in a significant loss of rates income for local authorities and therefore this issue was one of the topics reported on during 2017.

The AFM completed a report in June 2016 on the issue of the delays in valuation and the associated potential loss of commercial rates income. The report stated that as at May 2016 there were 5,934 properties with the Valuation Office awaiting determination of a relevant new or revised valuation. Updated figures were obtained for this report as at June 2018 which found that a total of 7,417 applications were awaiting processing.

Work completed by the above sub group found that of the 5,934 revision applications which were with the Valuation Office for valuation, 86% of these requests are still awaiting assignment. While new buildings await valuation, which are typically the subject of about 20% to 30% of applications, the businesses in these premises do not pay rates and as a result may have an unfair trading advantage over other businesses, particularly those in the same market.

A full breakdown of these revision applications which were awaiting valuation by local authority is set out in Appendix 11 and 12 and in relation to May 2016 a summary of the various stages in the valuation process are set out in Exhibit 30 below.

| Exhibit 30: No. of Applications per stages in Valuation process | | |
|--|--------------------------------------|-------------------|
| Stage in Valuation process | No. of Valuation Applications | % of Total |
| Awaiting assignment | 5,120 | 86.3 |
| With revision valuer | 367 | 6.2 |
| Team leader draft approval | 154 | 2.6 |
| Representation period | 164 | 2.8 |
| Representations with revision valuer | 80 | 1.3 |
| Team leader final approval | 30 | 0.5 |
| Update list | 19 | 0.3 |
| May 2016 | 5,934 | 100 |
| June 2018 | 7,417 | N/a |

Source: CCMA - Acute Financial Matters - Rates Report

Using the figure of 5,934 properties awaiting determination less the number of properties requesting a delist, the AFM have estimated rates income of €23.5m is lost annually through the delay in processing valuations. A delist is where the applicant seeks a reduction or removal of the valuation. The number of valuation delists represents approx. 10% of all valuation requests and this is set out by local authority in Appendix 12. A full breakdown of the estimated amount of revenue lost by local authority is set out in Appendix 12.

| Exhibit 31: Estimated Rates Income Loss | | |
|--|-----------------|-------------------|
| Stratified Range | €million | % of Total |
| Less than €5,000 | 10.01 | 71% |
| €5,000 to €10,000 | 6.01 | 15% |
| Greater than €10,000 | 7.48 | 14% |
| Estimated Value | 23.50 | 100% |

Source: CCMA - Acute Financial Matters - Rates Report

The report noted that the estimated rates income lost annually through the delay in applying valuations could be higher when taking into account;

- Properties identified for valuation/revaluation that are still in local authority rate offices, withheld due to delays in progressing valuations by Valuation Office.
- Properties not yet identified due to slow down on identifications due to delays in progressing valuations by Valuation Office.

However the above points are matters for local authorities to address as the Valuation Office cannot be held responsible for delays in processing applications that have yet to be submitted to their offices for valuation.

10.4 Valuation Office – Addressing the delays in processing applications for valuation

Our report reviewed a number of publications of the Valuation Office including the Annual Reports for 2015 and 2016 and the current Statement of Strategy. This was with a view to identify how the Valuation Office planned to address these delays and the progress achieved to date on the matter.

According to their statement of strategy 2017-2019, the Valuation Office are committed to delivering an effective revision service and that by 2017 they will;

- establish a revision unit to maintain and update valuation lists in a timely and efficient manner
- apply resources to address the backlog of cases which are on hand
- implemented efficiencies in revision processes and procedures in line with best international practice in order to deliver the most effective service
- communicate their progress with the local authorities, relevant Government Departments, the Valuation Tribunal and other stakeholders in an effective and timely manner on an ongoing basis.

The statement also stated that by the end of 2018, the Valuation Office have a target to process all valid applications for revision within six months, in line with statutory obligations and extend online access to revision records.

The Valuation Office Strategic Plan completed in June 2018 and currently with Minister for Housing Planning and Local Government for approval outlines specific proposals to address the backlog of revision casework. These measures include engaging external contractors to augment the internal capacity of the Valuation Office in order to clear the revision cases backlog by October 2019.

In a follow up to this report, to address the delays in processing applications and resultant loss of income it is necessary to review the current practices both at local authority level and in the Valuation Office to bring about a substantial change in the business process of the rates function and the associated changes in the new commercial rates Bill.

11. Acknowledgement

The LGAS would like to thank the following for their cooperation and advice during the course of this VFM report on the Commercial Rates in local authorities;

- The local authorities - Income collection and finance sections
- Local Government Auditors in each local authority
- Department of Housing, Planning and Local Government, Local Government Finance Division and personnel consulted, Commercial Rates Section
- Local Government Management Agency
- The Valuation Office
- CCMA Acute Financial Matters Working Group
- LGMA Local Government Debt Management Project Group

References

Enacted Legislation

- Valuation Act 2001
- Valuation (Amendment) Act 2015
- S.I 226 of 2014 Local Government (Financial and Audit procedures) 2014

Department Circulars and Reports

- Relevant Local Government Finance Circulars (e.g. Fin 5 of 2016)
- Rates section in DHPLG re new rates legislation

The Valuation Office

- Relevant Publications (Annual reports, Statement of Strategy)
- Relevant Websites www.valuationoffice.ie

Other Publications

- Acute Financial Matters Report No 2 – Commercial Rates - New Listings/Lost Revenue
- National Oversight Audit Commission - Report No 7 Rates Collection - April 2016

Appendices

- Appendix 1 - Rates Income as a % of Total Revenue
- Appendix 2 - Analysis of Rates per Appendix 7 2016
- Appendix 3 - Analysis of Rates per Appendix 7 2017
- Appendix 4 - Annual Rate Valuation 2014 - 2016
- Appendix 5 - Accrued Rates Income 2015 - 2017
- Appendix 6 - Rates Collected and % 2015 - 2017
- Appendix 7 - No. of Staff in Income Collection 2016
- Appendix 8 - Arrears and Provisions 2016
- Appendix 9 - Property Entry Levy Income Collection
- Appendix 10 - Property Entry Levy Arrears 2014 - 2016
- Appendix 11 - Applications in Valuation Office 2016 - 2018
- Appendix 12 - Estimated Value of Unprocessed Applications 2016

Appendix 1 - Rates Income as a % Total Revenue

| City & County Councils | 2017* | 2016 | | 2015 | |
|--|----------------------|----------------------|------------|----------------------|------------|
| | Total Rates Income | Total Rates Income | % | Total Rates Income | % |
| Carlow County Council | 14,449,859 | 14,292,293 | 28% | 14,417,224 | 28% |
| Cavan County Council | 13,227,592 | 13,302,201 | 21% | 13,536,702 | 23% |
| Clare County Council | 42,416,504 | 41,890,797 | 39% | 42,347,972 | 41% |
| Cork City Council | 65,834,727 | 64,736,946 | 42% | 65,029,398 | 43% |
| Cork County Council | 129,526,137 | 127,996,519 | 41% | 127,953,113 | 42% |
| Donegal County Council | 30,400,611 | 30,605,929 | 22% | 31,022,480 | 23% |
| Dublin City Council | 321,481,363 | 324,501,784 | 40% | 336,255,813 | 44% |
| Dún Laoghaire-Rathdown County Council | 79,834,567 | 78,519,086 | 48% | 82,177,420 | 51% |
| Fingal County Council | 115,759,973 | 115,776,504 | 54% | 120,232,076 | 56% |
| Galway City Council | 36,519,406 | 36,253,675 | 45% | 35,336,200 | 49% |
| Galway County Council | 25,820,681 | 25,588,454 | 22% | 25,675,803 | 23% |
| Kerry County Council | 41,095,755 | 41,062,726 | 30% | 41,264,286 | 33% |
| Kildare County Council | 58,125,047 | 57,555,963 | 36% | 57,554,487 | 38% |
| Kilkenny County Council | 19,369,483 | 18,953,093 | 25% | 18,443,661 | 25% |
| Laois County Council | 12,979,723 | 12,453,983 | 21% | 12,513,139 | 22% |
| Leitrim County Council | 5,243,704 | 5,191,422 | 14% | 5,193,566 | 15% |
| Limerick City & County Council | 53,750,221 | 50,965,698 | 22% | 52,012,763 | 31% |
| Longford County Council | 8,100,723 | 7,976,488 | 19% | 7,915,522 | 19% |
| Louth County Council | 31,809,951 | 32,111,064 | 35% | 33,072,049 | 36% |
| Mayo County Council | 28,971,395 | 25,766,049 | 20% | 25,847,673 | 19% |
| Meath County Council | 34,014,459 | 33,271,020 | 30% | 33,456,671 | 32% |
| Monaghan County Council | 12,143,061 | 12,252,912 | 20% | 12,686,201 | 22% |
| Offaly County Council | 16,636,556 | 15,423,430 | 27% | 14,577,768 | 25% |
| Roscommon County Council | 11,185,011 | 11,093,226 | 18% | 11,027,824 | 20% |
| Sligo County Council | 13,211,208 | 13,202,579 | 26% | 13,161,447 | 21% |
| South Dublin County Council | 117,151,143 | 117,344,152 | 52% | 123,061,329 | 56% |
| Tipperary County Council | 30,732,493 | 30,795,848 | 22% | 31,261,671 | 23% |
| Waterford City & County Council | 28,519,170 | 32,825,603 | 26% | 33,178,092 | 28% |
| Westmeath County Council | 15,974,057 | 15,504,306 | 22% | 15,432,807 | 23% |
| Wexford County Council | 33,611,755 | 32,981,995 | 31% | 30,816,100 | 30% |
| Wicklow County Council | 27,745,901 | 27,804,886 | 29% | 30,004,697 | 34% |
| Total | 1,475,642,236 | 1,468,000,631 | 34% | 1,496,465,954 | 37% |

Source: Survey Questionnaire . * Audited AFS 2017

Appendix 2 - Analysis of Rates per Appendix 7 2016

| City and County Councils | Arrears at 01/01/2016 | Accrued | Vacant Property Adjustments | Write Off & Waivers | Total for Collection | Collected | Arrears at 31/12/2016 | Specific Doubtful Arrears | 2016 Rate | 2015 Rate |
|--|-----------------------|----------------------|-----------------------------|---------------------|----------------------|----------------------|-----------------------|---------------------------|------------|------------|
| | € | € | € | € | € | € | € | € | % | % |
| Carlow County Council | 2,655,931 | 14,292,293 | 3,367,206 | 657,005 | 12,924,013 | 11,117,779 | 1,806,234 | 340,881 | 88% | 84% |
| Cavan County Council | 3,863,711 | 13,302,201 | 1,466,720 | 706,747 | 14,992,445 | 11,436,741 | 3,555,704 | 1,173,091 | 83% | 82% |
| Clare County Council | 12,142,671 | 41,890,797 | 4,203,939 | 1,557,648 | 48,271,881 | 37,196,442 | 11,075,439 | 4,089,202 | 84% | 82% |
| Cork City Council | 19,840,181 | 64,736,946 | 2,861,914 | 2,127,844 | 79,587,369 | 60,436,007 | 19,151,362 | 2,700,000 | 79% | 78% |
| Cork County Council | 21,447,613 | 127,996,519 | 10,828,630 | 3,361,443 | 135,254,059 | 117,787,157 | 17,466,902 | 1,190,219 | 88% | 86% |
| Donegal County Council | 15,686,468 | 30,605,929 | 3,652,473 | 2,563,014 | 40,076,910 | 24,760,145 | 15,316,765 | 3,774,177 | 68% | 63% |
| Dublin City Council | 51,124,526 | 324,501,784 | 10,562,197 | 20,880,453 | 344,183,660 | 303,112,295 | 41,071,365 | 5,655,228 | 90% | 88% |
| Dún Laoghaire-Rathdown County Council | 19,745,333 | 78,519,086 | 3,607,426 | 2,898,363 | 91,758,630 | 73,785,003 | 17,973,627 | 4,983,638 | 85% | 85% |
| Fingal County Council | 8,272,647 | 115,776,504 | 3,719,259 | 1,369,630 | 118,960,262 | 110,924,612 | 8,035,650 | 2,972,121 | 96% | 96% |
| Galway City Council | 13,725,418 | 36,253,675 | 3,084,060 | 678,022 | 46,217,011 | 34,210,078 | 12,006,933 | 827,507 | 75% | 72% |
| Galway County Council | 7,806,745 | 25,588,454 | 4,827,511 | 1,006,187 | 27,561,501 | 21,215,237 | 6,346,264 | 2,389,586 | 84% | 81% |
| Kerry County Council | 8,975,742 | 41,062,726 | 2,802,729 | 5,141,641 | 42,094,098 | 33,658,076 | 8,436,022 | 673,645 | 81% | 80% |
| Kildare County Council | 12,300,391 | 57,555,963 | 5,628,357 | 1,227,877 | 63,000,120 | 50,897,273 | 12,102,847 | 1,779,716 | 83% | 82% |
| Kilkenny County Council | 1,407,838 | 18,953,093 | 2,635,796 | 578,533 | 17,146,602 | 16,049,297 | 1,097,305 | 38,414 | 94% | 92% |
| Laois County Council | 3,457,388 | 12,453,983 | 1,960,973 | 1,117,130 | 12,833,268 | 9,634,470 | 3,198,798 | 76,021 | 76% | 75% |
| Leitrim County Council | 2,535,447 | 5,191,422 | 969,680 | 175,481 | 6,581,708 | 4,157,115 | 2,424,593 | 1,449,904 | 81% | 79% |
| Limerick City & County Council | 21,453,866 | 50,965,698 | 2,148,552 | 2,382,921 | 67,888,091 | 49,098,224 | 18,789,867 | 3,924,881 | 77% | 75% |
| Longford County Council | 2,095,521 | 7,976,488 | 1,276,233 | 332,270 | 8,463,506 | 6,503,934 | 1,959,572 | 678,101 | 84% | 82% |
| Louth County Council | 17,649,245 | 32,111,064 | 5,648,782 | 2,182,295 | 41,929,231 | 27,180,374 | 14,748,857 | 1,924,659 | 68% | 60% |
| Mayo County Council | 5,665,355 | 25,766,049 | 6,643,573 | 171,994 | 24,615,837 | 19,389,584 | 5,226,253 | 1,048,093 | 82% | 80% |
| Meath County Council | 5,636,392 | 33,271,020 | 3,762,467 | 1,339,341 | 33,805,604 | 29,847,093 | 3,958,511 | 319,796 | 89% | 85% |
| Monaghan County Council | 4,636,487 | 12,252,912 | 2,371,142 | 515,828 | 14,002,429 | 10,148,303 | 3,854,126 | 1,574,710 | 82% | 77% |
| Offaly County Council | 2,131,372 | 15,423,430 | 1,603,212 | 1,690,713 | 14,260,877 | 12,227,675 | 2,033,202 | 358,368 | 88% | 85% |
| Roscommon County Council | 1,863,397 | 11,093,226 | 2,318,700 | 219,924 | 10,417,999 | 8,201,074 | 2,216,925 | 1,401,347 | 91% | 93% |
| Sligo County Council | 4,014,428 | 13,202,579 | 2,311,682 | 596,089 | 14,309,236 | 10,398,781 | 3,910,455 | 579,502 | 76% | 74% |
| South Dublin County Council | 27,068,409 | 117,344,152 | 12,402,331 | 4,846,980 | 127,163,250 | 104,014,140 | 23,149,110 | 1,108,455 | 83% | 81% |
| Tipperary County Council | 8,639,032 | 30,795,848 | 4,946,062 | 399,366 | 34,089,452 | 26,395,322 | 7,694,130 | 1,411,859 | 81% | 78% |
| Waterford City & County Council | 8,936,522 | 32,825,603 | 3,823,429 | 1,486,414 | 36,452,282 | 28,261,937 | 8,190,345 | 1,758,247 | 81% | 79% |
| Westmeath County Council | 3,911,043 | 15,504,306 | 2,695,220 | 414,054 | 16,306,075 | 12,605,288 | 3,700,787 | 655,944 | 81% | 79% |
| Wexford County Council | 9,648,741 | 32,981,995 | 1,863,669 | 2,597,431 | 38,169,636 | 29,765,183 | 8,404,453 | 522,258 | 79% | 75% |
| Wicklow County Council | 8,711,007 | 27,804,886 | 3,678,252 | 542,663 | 32,294,978 | 23,987,606 | 8,307,372 | 2,101,581 | 79% | 76% |
| Total | 337,048,867 | 1,468,000,631 | 123,672,176 | 65,765,301 | 1,615,612,020 | 1,318,402,245 | 297,209,776 | 53,481,151 | 84% | 83% |

Source: Activity Report March 2018

Appendix 3 - Analysis of Rates per Appendix 7 2017

| City and County Councils | Arrears at 01/01/2017 | Accrued | Vacant Property Adjustments | Write Offs & Waivers | Total for Collection | Collected | Arrears at 31/12/2017 | Specific Doubtful Arrears | 2017 Rate | 2016 Rate |
|--|-----------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|-----------------------|---------------------------|------------|------------|
| | € | € | € | € | € | € | € | € | % | % |
| <u>Carlow County Council</u> | <u>1,806,234</u> | <u>14,449,859</u> | <u>2,971,068</u> | <u>746,919</u> | <u>12,538,106</u> | <u>10,930,804</u> | <u>1,607,302</u> | <u>326,792</u> | <u>90%</u> | <u>88%</u> |
| <u>Cavan County Council</u> | <u>3,555,704</u> | <u>13,227,592</u> | <u>1,271,300</u> | <u>290,785</u> | <u>15,221,211</u> | <u>11,301,541</u> | <u>3,919,670</u> | <u>885,280</u> | <u>79%</u> | <u>83%</u> |
| <u>Clare County Council</u> | <u>11,075,439</u> | <u>42,416,504</u> | <u>3,281,218</u> | <u>1,132,281</u> | <u>49,078,444</u> | <u>38,298,185</u> | <u>10,780,259</u> | <u>4,745,159</u> | <u>86%</u> | <u>84%</u> |
| <u>Cork City Council</u> | <u>19,151,362</u> | <u>65,834,727</u> | <u>2,599,215</u> | <u>910,411</u> | <u>81,476,463</u> | <u>62,211,239</u> | <u>19,265,224</u> | <u>2,650,000</u> | <u>79%</u> | <u>79%</u> |
| <u>Cork County Council^a</u> | <u>17,098,931</u> | <u>129,526,137</u> | <u>9,263,016</u> | <u>2,306,204</u> | <u>135,055,848</u> | <u>120,168,330</u> | <u>14,887,518</u> | <u>945,818</u> | <u>90%</u> | <u>88%</u> |
| <u>Donegal County Council</u> | <u>15,316,765</u> | <u>30,400,611</u> | <u>3,313,859</u> | <u>3,164,739</u> | <u>39,238,778</u> | <u>24,628,799</u> | <u>14,609,979</u> | <u>6,105,118</u> | <u>74%</u> | <u>68%</u> |
| <u>Dublin City Council</u> | <u>41,071,365</u> | <u>321,481,363</u> | <u>9,909,272</u> | <u>13,277,951</u> | <u>339,365,505</u> | <u>306,931,580</u> | <u>32,433,925</u> | <u>3,600,000</u> | <u>91%</u> | <u>90%</u> |
| <u>Dún Laoghaire-Rathdown County Council</u> | <u>17,973,627</u> | <u>79,834,567</u> | <u>2,369,532</u> | <u>2,412,785</u> | <u>93,025,877</u> | <u>76,720,873</u> | <u>16,305,004</u> | <u>3,357,198</u> | <u>86%</u> | <u>85%</u> |
| <u>Fingal County Council</u> | <u>8,035,650</u> | <u>115,759,973</u> | <u>1,067,335</u> | <u>1,369,306</u> | <u>121,358,982</u> | <u>114,796,647</u> | <u>6,562,335</u> | <u>1,879,073</u> | <u>96%</u> | <u>96%</u> |
| <u>Galway City Council</u> | <u>12,006,933</u> | <u>36,519,406</u> | <u>2,593,790</u> | <u>615,339</u> | <u>45,317,210</u> | <u>34,635,780</u> | <u>10,681,430</u> | <u>980,212</u> | <u>78%</u> | <u>75%</u> |
| <u>Galway County Council</u> | <u>6,346,264</u> | <u>25,820,681</u> | <u>4,765,289</u> | <u>210,487</u> | <u>27,191,170</u> | <u>21,807,387</u> | <u>5,383,782</u> | <u>1,287,228</u> | <u>84%</u> | <u>84%</u> |
| <u>Kerry County Council</u> | <u>8,436,022</u> | <u>41,095,755</u> | <u>2,479,319</u> | <u>4,989,092</u> | <u>42,063,366</u> | <u>34,215,989</u> | <u>7,847,376</u> | <u>612,852</u> | <u>83%</u> | <u>81%</u> |
| <u>Kildare County Council</u> | <u>12,102,847</u> | <u>58,125,047</u> | <u>5,006,744</u> | <u>1,168,100</u> | <u>64,053,050</u> | <u>50,379,340</u> | <u>13,673,710</u> | <u>2,185,271</u> | <u>81%</u> | <u>83%</u> |
| <u>Kilkenny County Council</u> | <u>1,097,305</u> | <u>19,369,483</u> | <u>2,519,326</u> | <u>557,604</u> | <u>17,389,858</u> | <u>16,547,126</u> | <u>842,733</u> | <u>37,959</u> | <u>95%</u> | <u>94%</u> |
| <u>Laois County Council</u> | <u>3,198,798</u> | <u>12,979,723</u> | <u>2,011,083</u> | <u>580,332</u> | <u>13,587,106</u> | <u>10,002,728</u> | <u>3,584,379</u> | <u>256,308</u> | <u>75%</u> | <u>76%</u> |
| <u>Leitrim County Council</u> | <u>2,424,593</u> | <u>5,243,704</u> | <u>1,011,177</u> | <u>15,083</u> | <u>6,642,037</u> | <u>4,121,678</u> | <u>2,520,359</u> | <u>1,594,762</u> | <u>82%</u> | <u>81%</u> |
| <u>Limerick City & County Council</u> | <u>18,789,867</u> | <u>53,750,221</u> | <u>2,047,578</u> | <u>3,639,399</u> | <u>66,853,111</u> | <u>52,352,063</u> | <u>14,501,048</u> | <u>2,666,277</u> | <u>82%</u> | <u>77%</u> |
| <u>Longford County Council</u> | <u>1,959,572</u> | <u>8,100,723</u> | <u>1,324,332</u> | <u>222,467</u> | <u>8,513,496</u> | <u>6,802,482</u> | <u>1,711,014</u> | <u>873,577</u> | <u>89%</u> | <u>84%</u> |
| <u>Louth County Council</u> | <u>14,748,857</u> | <u>31,809,951</u> | <u>3,936,050</u> | <u>1,434,329</u> | <u>41,188,429</u> | <u>28,683,739</u> | <u>12,504,690</u> | <u>2,995,501</u> | <u>75%</u> | <u>68%</u> |
| <u>Mayo County Council</u> | <u>5,226,253</u> | <u>28,971,395</u> | <u>5,938,754</u> | <u>760,017</u> | <u>27,498,877</u> | <u>23,174,664</u> | <u>4,324,212</u> | <u>214,363</u> | <u>85%</u> | <u>82%</u> |
| <u>Meath County Council</u> | <u>3,958,511</u> | <u>34,014,459</u> | <u>3,472,705</u> | <u>706,181</u> | <u>33,794,084</u> | <u>30,583,299</u> | <u>3,210,785</u> | <u>468,726</u> | <u>92%</u> | <u>89%</u> |
| <u>Monaghan County Council</u> | <u>3,854,126</u> | <u>12,143,061</u> | <u>2,028,291</u> | <u>469,291</u> | <u>13,499,605</u> | <u>10,119,060</u> | <u>3,380,545</u> | <u>1,575,472</u> | <u>85%</u> | <u>82%</u> |
| <u>Offaly County Council</u> | <u>2,033,202</u> | <u>16,636,556</u> | <u>2,415,476</u> | <u>1,150,619</u> | <u>15,333,897</u> | <u>12,862,574</u> | <u>2,471,323</u> | <u>336,784</u> | <u>87%</u> | <u>88%</u> |
| <u>Roscommon County Council</u> | <u>2,216,925</u> | <u>11,185,011</u> | <u>2,258,738</u> | <u>179,660</u> | <u>10,963,538</u> | <u>8,534,741</u> | <u>2,428,797</u> | <u>621,315</u> | <u>83%</u> | <u>91%</u> |
| <u>Sligo County Council</u> | <u>3,910,455</u> | <u>13,211,208</u> | <u>2,699,472</u> | <u>554,075</u> | <u>13,868,116</u> | <u>10,229,601</u> | <u>3,638,515</u> | <u>510,207</u> | <u>77%</u> | <u>76%</u> |
| <u>South Dublin County Council</u> | <u>23,149,110</u> | <u>117,151,143</u> | <u>8,089,781</u> | <u>3,593,782</u> | <u>128,616,690</u> | <u>103,604,891</u> | <u>25,011,799</u> | <u>4,884,016</u> | <u>84%</u> | <u>83%</u> |
| <u>Tipperary County Council</u> | <u>7,694,130</u> | <u>30,732,493</u> | <u>4,542,900</u> | <u>523,490</u> | <u>33,360,233</u> | <u>25,385,883</u> | <u>7,974,350</u> | <u>2,222,959</u> | <u>82%</u> | <u>81%</u> |
| <u>Waterford City & County Council</u> | <u>8,190,345</u> | <u>28,519,170</u> | <u>2,456,798</u> | <u>1,524,132</u> | <u>32,728,585</u> | <u>24,437,086</u> | <u>8,291,499</u> | <u>1,848,119</u> | <u>79%</u> | <u>81%</u> |
| <u>Westmeath County Council</u> | <u>3,700,787</u> | <u>15,974,057</u> | <u>2,764,225</u> | <u>466,709</u> | <u>16,443,910</u> | <u>12,862,579</u> | <u>3,581,331</u> | <u>513,074</u> | <u>81%</u> | <u>81%</u> |
| <u>Wexford County Council</u> | <u>8,404,453</u> | <u>33,611,755</u> | <u>1,565,420</u> | <u>2,443,364</u> | <u>38,007,424</u> | <u>30,764,247</u> | <u>7,243,177</u> | <u>654,934</u> | <u>82%</u> | <u>79%</u> |
| <u>Wicklow County Council</u> | <u>8,307,372</u> | <u>27,745,901</u> | <u>4,112,896</u> | <u>735,674</u> | <u>31,204,703</u> | <u>23,727,385</u> | <u>7,477,318</u> | <u>1,972,941</u> | <u>81%</u> | <u>79%</u> |
| Total | 296,841,804 | 1,475,642,236 | 106,085,959 | 52,150,607 | 1,614,247,476 | 1,341,822,320 | 272,425,155 | 53,807,295 | 86% | 84% |

Source: Audited AFS 2017 a. Opening balance adjusted to exclude PEL arrears shown in error in 2016 closing balance.

Appendix 4 - Annual Rate Valuation 2014 - 2016

| City & County Councils | 2016 | 2015 | 2014 |
|--|-------------|-------------|-------------|
| Carlow County Council | 69.56 | 69.56 | 65.80 |
| Cavan County Council | 56.85 | 56.85 | 56.85 |
| Clare County Council | 72.99 | 72.99 | 72.99 |
| Cork City Council | 74.05 | 74.05 | 74.05 |
| Cork County Council | 74.75 | 74.75 | 74.75 |
| Donegal County Council | 68.39 | 68.39 | 69.70 |
| Dublin City Council | 0.256 | 0.256 | 0.257 |
| Dún Laoghaire-Rathdown County Council | 0.160 | 0.160 | 0.160 |
| Fingal County Council | 0.140 | 0.140 | 0.140 |
| Galway City Council | 67.40 | 65.46 | 65.46 |
| Galway County Council | 66.59 | 66.59 | 66.59 |
| Kerry County Council | 79.25 | 79.25 | 80.35 |
| Kildare County Council | 68.95 | 68.95 | 68.95 |
| Kilkenny County Council | 54.90 | 54.90 | 52.05 |
| Laois County Council | 64.63 | 64.63 | 64.63 |
| Leitrim County Council | 62.15 | 62.15 | 62.15 |
| Limerick City & County Council | 0.260 | 0.250 | 0.240 |
| Longford County Council | 65.35 | 65.35 | 65.35 |
| Louth County Council | 60.00 | 60.00 | 60.00 |
| Mayo County Council | 68.76 | 68.76 | 68.76 |
| Meath County Council | 69.62 | 69.62 | 69.62 |
| Monaghan County Council | 56.20 | 56.20 | 56.20 |
| Offaly County Council | 66.00 | 66.00 | 56.77 |
| Roscommon County Council | 71.44 | 71.44 | 72.16 |
| Sligo County Council | 66.95 | 66.95 | 66.95 |
| South Dublin County Council | 0.16 | 0.16 | 0.16 |
| Tipperary County Council | 56.77 | 56.77 | 56.77 |
| Waterford City & County Council | 0.25 | 0.25 | 0.25 |
| Westmeath County Council | 54.54 | 54.54 | 52.27 |
| Wexford County Council | 71.52 | 71.52 | 71.52 |
| Wicklow County Council | 72.04 | 72.04 | 76.78 |
| Source: Survey Questionnaire | | | |

Appendix 5 - Accrued Rates Income 2015 - 2017

| City & County Councils | 2017* € | 2016 € | 2015 € |
|--|----------------------|----------------------|----------------------|
| Carlow County Council | 14,449,859 | 14,292,293 | 14,417,224 |
| Cavan County Council | 13,227,592 | 13,302,201 | 13,536,702 |
| Clare County Council | 42,416,504 | 41,890,797 | 42,347,972 |
| Cork City Council | 65,834,727 | 64,736,946 | 65,029,398 |
| Cork County Council | 129,526,137 | 127,996,519 | 127,953,113 |
| Donegal County Council | 30,400,611 | 30,605,929 | 31,022,480 |
| Dublin City Council | 321,481,363 | 324,501,784 | 336,255,813 |
| Dún Laoghaire-Rathdown County Council | 79,834,567 | 78,519,086 | 82,177,420 |
| Fingal County Council | 115,759,973 | 115,776,504 | 120,232,076 |
| Galway City Council | 36,519,406 | 36,253,675 | 35,336,200 |
| Galway County Council | 25,820,681 | 25,588,454 | 25,675,803 |
| Kerry County Council | 41,095,755 | 41,062,726 | 41,264,286 |
| Kildare County Council | 58,125,047 | 57,555,963 | 57,554,487 |
| Kilkenny County Council | 19,369,483 | 18,953,093 | 18,443,661 |
| Laois County Council | 12,979,723 | 12,453,983 | 12,513,139 |
| Leitrim County Council | 5,243,704 | 5,191,422 | 5,193,566 |
| Limerick City & County Council | 53,750,221 | 50,965,698 | 52,012,763 |
| Longford County Council | 8,100,723 | 7,976,488 | 7,915,522 |
| Louth County Council | 31,809,951 | 32,111,064 | 33,072,049 |
| Mayo County Council | 28,971,395 | 25,766,049 | 25,847,673 |
| Meath County Council | 34,014,459 | 33,271,020 | 33,456,671 |
| Monaghan County Council | 12,143,061 | 12,252,912 | 12,686,201 |
| Offaly County Council | 16,636,556 | 15,423,430 | 14,577,768 |
| Roscommon County Council | 11,185,011 | 11,093,226 | 11,027,824 |
| Sligo County Council | 13,211,208 | 13,202,579 | 13,161,447 |
| South Dublin County Council | 117,151,143 | 117,344,152 | 123,061,329 |
| Tipperary County Council | 30,732,493 | 30,795,848 | 31,261,671 |
| Waterford City & County Council | 28,519,170 | 32,825,603 | 33,178,092 |
| Westmeath County Council | 15,974,057 | 15,504,306 | 15,432,807 |
| Wexford County Council | 33,611,755 | 32,981,995 | 30,816,100 |
| Wicklow County Council | 27,745,901 | 27,804,886 | 30,004,697 |
| Total | 1,475,642,236 | 1,468,000,631 | 1,496,465,954 |

Source: Survey Questionnaire.* Audited AFS 2017

Appendix 6 - Rates Collected and % 2015 - 2017

| City & County Councils | 2017* | | 2016 | | 2015 | |
|---------------------------------------|----------------------|----------------|----------------------|----------------|----------------------|----------------|
| | Amt collected € | % ^a | Amt collected € | % ^a | Amt collected € | % ^a |
| Carlow County Council | 10,930,804 | 90% | 11,117,779 | 88% | 11,350,009 | 84% |
| Cavan County Council | 11,301,541 | 79% | 11,436,741 | 83% | 11,943,256 | 82% |
| Clare County Council | 38,298,185 | 86% | 37,196,442 | 84% | 36,985,564 | 82% |
| Cork City Council | 62,211,239 | 79% | 60,436,007 | 79% | 61,224,285 | 78% |
| Cork County Council | 120,168,330 | 90% | 117,787,157 | 88% | 119,163,164 | 86% |
| Donegal County Council | 24,628,799 | 74% | 24,760,145 | 68% | 24,692,578 | 63% |
| Dublin City Council | 306,931,580 | 91% | 303,112,295 | 90% | 314,107,645 | 88% |
| Dún Laoghaire-Rathdown County Council | 76,720,873 | 86% | 73,785,003 | 85% | 77,695,710 | 85% |
| Fingal County Council | 114,796,647 | 96% | 110,924,612 | 96% | 115,423,490 | 96% |
| Galway City Council | 34,635,780 | 78% | 34,210,078 | 75% | 31,941,718 | 72% |
| Galway County Council | 21,807,387 | 84% | 21,215,237 | 84% | 21,571,674 | 81% |
| Kerry County Council | 34,215,989 | 83% | 33,658,076 | 81% | 33,518,689 | 80% |
| Kildare County Council | 50,379,340 | 81% | 50,897,273 | 83% | 50,938,296 | 82% |
| Kilkenny County Council | 16,547,126 | 95% | 16,049,297 | 94% | 15,877,981 | 92% |
| Laois County Council | 10,002,728 | 75% | 9,634,470 | 76% | 9,898,811 | 75% |
| Leitrim County Council | 4,121,678 | 82% | 4,157,115 | 81% | 4,226,300 | 79% |
| Limerick City & County Council | 52,352,063 | 82% | 49,098,224 | 77% | 51,391,697 | 75% |
| Longford County Council | 6,802,482 | 89% | 6,503,934 | 84% | 6,396,247 | 82% |
| Louth County Council | 28,683,739 | 75% | 27,180,374 | 68% | 25,578,002 | 60% |
| Mayo County Council | 23,174,664 | 85% | 19,389,584 | 82% | 19,729,275 | 80% |
| Meath County Council | 30,583,299 | 92% | 29,847,093 | 89% | 29,289,390 | 85% |
| Monaghan County Council | 10,119,060 | 85% | 10,148,303 | 82% | 10,523,911 | 77% |
| Offaly County Council | 12,862,574 | 87% | 12,227,675 | 88% | 11,463,251 | 85% |
| Roscommon County Council | 8,534,741 | 83% | 8,201,074 | 91% | 8,751,416 | 93% |
| Sligo County Council | 10,229,601 | 77% | 10,398,781 | 76% | 10,608,718 | 74% |
| South Dublin County Council | 103,604,891 | 84% | 104,014,140 | 83% | 107,685,870 | 81% |
| Tipperary County Council | 25,385,883 | 82% | 26,395,322 | 81% | 26,063,250 | 78% |
| Waterford City & County Council | 24,437,086 | 79% | 28,261,937 | 81% | 29,769,355 | 79% |
| Westmeath County Council | 12,862,579 | 81% | 12,605,288 | 81% | 12,706,214 | 79% |
| Wexford County Council | 30,764,247 | 82% | 29,765,183 | 79% | 27,447,399 | 75% |
| Wicklow County Council | 23,727,385 | 81% | 23,987,606 | 79% | 26,778,891 | 76% |
| Total | 1,341,822,320 | 86% | 1,318,402,245 | 84% | 1,344,742,056 | 83% |

a % of Accrued income collected in year /Source: Survey Questionnaire and.* Audited AFS 2017

Appendix 7 - No. of Staff in Income Collection 2016

| City & County Councils | No. of staff involved in Income Collection | WTE No. of Staff involved in Rates Collection | No. of Customer Accounts | Customers per WTE | Collection Rate % |
|--|--|---|--------------------------|-------------------|-------------------|
| Carlow County Council | 8.00 | 4.00 | 2,094 | 523.50 | 88% |
| Cavan County Council | 8.74 | 5.35 | 2,500 | 467.29 | 83% |
| Clare County Council | 20.00 | 10.17 | 3,150 | 309.73 | 84% |
| Cork City Council | 13.00 | 7.75 | 6,534 | 843.10 | 79% |
| Cork County Council | 21.00 | 19.00 | 13,967 | 735.11 | 88% |
| Donegal County Council | 9.00 | 7.80 | 4,003 | 513.21 | 68% |
| Dublin City Council | 43.00 | 14.00 | 20,615 | 1472.50 | 90% |
| Dún Laoghaire-Rathdown County Council | 26.55 | 12.45 | 5,821 | 467.55 | 85% |
| Fingal County Council | 12.00 | 10.00 | 6,036 | 603.60 | 96% |
| Galway City Council | 9.40 | 3.90 | 4,646 | 1191.28 | 75% |
| Galway County Council | 11.50 | 4.60 | 3,839 | 834.57 | 84% |
| Kerry County Council | 34.00 | 11.61 | 5,174 | 445.65 | 81% |
| Kildare County Council | 31.00 | 10.00 | 5,342 | 534.20 | 83% |
| Kilkenny County Council | 8.00 | 4.50 | 2,642 | 587.11 | 94% |
| Laois County Council | 10.50 | 4.00 | 1,689 | 422.25 | 76% |
| Leitrim County Council | 6.00 | 3.50 | 1,224 | 349.71 | 81% |
| Limerick City & County Council | 30.00 | 18.30 | 6,703 | 366.28 | 77% |
| Longford County Council | 12.00 | 3.50 | 1,288 | 368.00 | 84% |
| Louth County Council | 13.60 | 10.30 | 4,715 | 457.77 | 68% |
| Mayo County Council | 10.80 | 5.40 | 4,808 | 890.37 | 82% |
| Meath County Council | 12.00 | 11.80 | 4,025 | 341.10 | 89% |
| Monaghan County Council | 5.00 | 4.00 | 2,582 | 645.50 | 82% |
| Offaly County Council | 6.00 | 5.80 | 2,462 | 424.48 | 88% |
| Roscommon County Council | 5.00 | 4.30 | 1,971 | 458.37 | 91% |
| Sligo County Council | 6.00 | 4.63 | 2,160 | 466.52 | 76% |
| South Dublin County Council | 29.00 | 23.00 | 6,921 | 300.91 | 83% |
| Tipperary County Council | 22.05 | 8.60 | 4,959 | 576.63 | 81% |
| Waterford City & County Council | 16.00 | 8.25 | 2,587 | 313.58 | 81% |
| Westmeath County Council | 10.35 | 4.85 | 2,328 | 428.66 | 81% |
| Wexford County Council | 15.00 | 7.25 | 4,579 | 631.59 | 79% |
| Wicklow County Council | 11.55 | 7.05 | 4,452 | 631.49 | 79% |
| Total | 476.04 | 259.66 | 145,816 | 561.56 | 82% |

Source: Survey Questionnaire /LGMA 2017 Rates Survey

Appendix 8 - Arrears and Provisions 2016

| City & County Councils | Closing Arrears as at 31 Dec € | Specific Doubtful Arrears € | Specific Bad Debts provision € | General bad debts provision € | Total Closing Bad Debt Provision € |
|--|--------------------------------|-----------------------------|--------------------------------|-------------------------------|------------------------------------|
| Carlow County Council | 1,806,235 | 340,881 | - | 1,354,677 | 1,354,677 |
| Cavan County Council | 3,555,704 | 1,173,091 | 1,173,091 | 2,248,377 | 3,421,468 |
| Clare County Council | 11,075,439 | 4,089,202 | 8,874,000 | - | 8,874,000 |
| Cork City Council | 19,151,362 | 1,190,219 | 2,700,000 | 10,189,500 | 12,889,500 |
| Cork County Council | 17,466,902 | 2,700,000 | 1,190,219 | 9,857,457 | 11,047,676 |
| Donegal County Council | 15,316,765 | 3,774,177 | 3,774,177 | 4,815,284 | 8,589,461 |
| Dublin City Council | 41,071,365 | 5,655,228 | 5,665,228 | 27,191,864 | 32,857,092 |
| Dún Laoghaire-Rathdown County Council | 17,973,627 | 4,983,638 | - | 13,742,700 | 13,742,700 |
| Fingal County Council | 8,035,650 | 2,972,121 | 830,333 | 5,993,259 | 6,823,592 |
| Galway City Council | 12,006,933 | 827,507 | 827,507 | 11,177,843 | 12,005,350 |
| Galway County Council | 6,346,264 | 2,389,586 | - | 3,500,000 | 3,500,000 |
| Kerry County Council | 8,436,021 | 673,645 | 673,645 | 7,126,355 | 7,800,000 |
| Kildare County Council | 12,102,847 | 1,779,716 | 1,779,716 | 7,013,991 | 8,793,707 |
| Kilkenny County Council | 1,097,306 | 38,414 | 38,814 | 445,619 | 484,433 |
| Laois County Council | 3,198,799 | 76,021 | 850,000 | - | 850,000 |
| Leitrim County Council | 2,424,593 | 1,449,904 | 323,004 | - | 323,004 |
| Limerick City & County Council | 18,789,867 | 3,924,881 | 15,893,523 | - | 15,893,523 |
| Longford County Council | 1,959,572 | 678,101 | 678,101 | 1,204,041 | 1,882,142 |
| Louth County Council | 14,748,857 | 1,924,659 | 1,924,659 | 5,068,419 | 6,993,078 |
| Mayo County Council | 5,226,252 | 1,048,093 | 1,048,093 | 837,153 | 1,885,246 |
| Meath County Council | 3,958,512 | 319,796 | - | 3,381,182 | 3,381,182 |
| Monaghan County Council | 3,854,126 | 1,574,710 | 1,574,710 | - | 1,574,710 |
| Offaly County Council | 2,033,202 | 358,368 | 1,846,058 | - | 1,846,058 |
| Roscommon County Council | 2,216,925 | 1,401,347 | 1,401,347 | 208,680 | 1,610,027 |
| Sligo County Council | 3,910,455 | 579,502 | 579,502 | 3,067,434 | 3,646,936 |
| South Dublin County Council | 23,149,110 | 1,108,455 | - | 21,096,320 | 21,096,320 |
| Tipperary County Council | 7,694,130 | 1,411,859 | 4,454,275 | - | 4,454,275 |
| Waterford City & County Council | 8,190,345 | 1,758,247 | 1,758,247 | 1,472,322 | 3,230,569 |
| Westmeath County Council | 3,700,787 | 655,944 | 2,768,770 | - | 2,768,770 |
| Wexford County Council | 8,404,453 | 522,258 | 522,258 | 3,328,528 | 3,850,786 |
| Wicklow County Council | 8,307,373 | 2,101,581 | 2,101,581 | 2,666,419 | 4,768,000 |
| Total | 297,209,776 | 53,481,151 | 65,250,858 | 146,987,424 | 212,238,282 |

Source: Survey Questionnaire to all local authorities

Appendix 9 - Property Entry Levy Income Collection

| City & County Councils | 2016 | | 2015 | |
|--|------------------|------------------|------------------|------------------|
| | Invoiced € | Received € | Invoiced € | Received € |
| Carlow County Council | 9,951 | 12,080 | 47,675 | 24,033 |
| Cavan County Council | 19,014 | 18,112 | 55,773 | 53,002 |
| Clare County Council | 312,072 | 308,284 | 93,092 | 85,236 |
| Cork City Council | 647,101 | 615,773 | 275,073 | 162,509 |
| Cork County Council | 374,451 | 566,854 | 685,201 | 346,889 |
| Donegal County Council | 42,188 | 37,977 | 84,772 | 35,799 |
| Dublin City Council | 362,088 | 406,977 | 2,510,092 | 2,392,024 |
| Dún Laoghaire-Rathdown County Council | 160,997 | 237,969 | 205,756 | 221,440 |
| Fingal County Council | 899,918 | 894,135 | 100,030 | 79,613 |
| Galway City Council | 308,146 | 320,865 | 80,018 | 84,181 |
| Galway County Council | 69,921 | 50,485 | 63,843 | 108,825 |
| Kerry County Council | 6,792 | 8,036 | 141,993 | 146,379 |
| Kildare County Council | 371,650 | 277,087 | 245,904 | 117,091 |
| Kilkenny County Council | 238,806 | 225,328 | 62,063 | 36,652 |
| Laois County Council | 38,211 | 23,245 | 12,669 | 23,906 |
| Leitrim County Council | 10,823 | 8,782 | 18,621 | 12,381 |
| Limerick City & County Council | 26,308 | 60,375 | 0 | 152,256 |
| Longford County Council | 65,671 | 12,404 | 6,163 | 5,447 |
| Louth County Council | 48,960 | 45,995 | 240,552 | 228,794 |
| Mayo County Council ^b | 1,966,046 | 1,966,046 | - | 66,629 |
| Meath County Council | 150,013 | 122,244 | 69,659 | 46,861 |
| Monaghan County Council | 21,774 | 21,774 | 95,581 | 95,581 |
| Offaly County Council | 1,276 | 4,306 | 578,052 | 578,582 |
| Roscommon County Council | 194,010 | 155,094 | 15,974 | 8,832 |
| Sligo County Council ^a | 0 | 0 | 0 | 0 |
| South Dublin County Council | 594,188 | 575,545 | 382,091 | 353,648 |
| Tipperary County Council | 11,320 | 28,154 | 150,720 | 305,553 |
| Waterford City & County Council | 9,797 | 39,856 | 24,586 | 19,871 |
| Westmeath County Council | 91,994 | 68,552 | 64,556 | 40,720 |
| Wexford County Council | 130,413 | 171,413 | 449,191 | 303,255 |
| Wicklow County Council | 0 | 1,386 | 0 | 15,982 |
| Total | 7,183,899 | 7,285,133 | 6,759,700 | 6,151,971 |

Source: Survey Questionnaire ^a Information unable to be provided in Questionnaire ^b Charges relate to a new large commercial rate payer levied for part of 2016 which was paid in full.

Appendix 10 - Property Entry Levy Arrears 2014 - 2016

| City & County Councils | 2016 € | 2015 € | 2014 € |
|---|------------------|------------------|------------------|
| Carlow County Council | 92,016 | 94,145 | 70,503 |
| Cavan County Council | 46,253 | 47,384 | 58,791 |
| Clare County Council | 95,075 | 97,798 | 101,576 |
| Cork City Council | 241,907 | 210,578 | 98,014 |
| Cork County Council | 448,646 | 707,405 | 415,932 |
| Donegal County Council | 4,211 | 48,973 | 22,127 |
| Dublin City Council | 136,276 | 203,154 | 231,209 |
| Dún Laoghaire-Rathdown County Council | 22,582 | 100,753 | 153,339 |
| Fingal County Council | 138,745 | 170,912 | 180,341 |
| Galway City Council | 39,063 | 55,660 | 113,387 |
| Galway County Council | 40,485 | 78,993 | 83,052 |
| Kerry County Council | 40,247 | 44,094 | 61,077 |
| Kildare County Council | 616,906 | 525,816 | 416,863 |
| Kilkenny County Council | 134,105 | 120,628 | 110,928 |
| Laois County Council | 116,838 | 111,463 | 242,726 |
| Leitrim County Council | 23,107 | 21,065 | 16,625 |
| Limerick City & County Council | 322,872 | 360,486 | 523,488 |
| Longford County Council | 63,716 | 75,522 | 112,096 |
| Louth County Council | 330,178 | 351,859 | 341,919 |
| Mayo County Council | 0 | 0 | 1,018 |
| Meath County Council | 308,714 | 436,651 | 442,558 |
| Monaghan County Council | 0 | 0 | 31,561 |
| Offaly County Council | 16,572 | 19,602 | 20,092 |
| Roscommon County Council | 49,216 | 20,857 | 20,359 |
| Sligo County Council ^a | 0 | 0 | 0 |
| South Dublin County Council | 255,506 | 227,064 | 181,123 |
| Tipperary County Council | 115,110 | 131,942 | 286,776 |
| Waterford City & County Council | 96,040 | 129,836 | 129,707 |
| Westmeath County Council | 77,226 | 53,784 | 67,481 |
| Wexford County Council | 77,331 | 274,355 | 213,004 |
| Wicklow County Council | 186,551 | 187,938 | 203,919 |
| Total | 4,135,494 | 4,908,717 | 4,951,591 |

Source: Survey Questionnaire a Information unable to be provided under the survey questionnaire

Appendix 11 - Applications in Valuation Office 2016 - 2018

| City & County Councils | Awaiting Assignment | With Revision Valuer | Team Leader Draft Approval | Reps Period | Reps with Revision Valuer | Team Leader Final Approval | Update List | Grand Total as at May 2016 | Updated Total as at June 2018 |
|---------------------------------------|---------------------|----------------------|----------------------------|-------------|---------------------------|----------------------------|-------------|----------------------------|-------------------------------|
| Carlow County Council | 88 | 11 | | | 1 | 1 | | 101 | 122 |
| Cavan County Council | 111 | 15 | 3 | | | | | 129 | 141 |
| Clare County Council | 155 | 2 | 1 | | 1 | | | 159 | 271 |
| Cork City Council | 244 | 8 | | | 6 | | | 258 | 225 |
| Cork County Council | 730 | 10 | 3 | 6 | 8 | 3 | | 760 | 1,009 |
| Donegal County Council | 249 | 59 | | | 2 | | | 310 | 929 |
| Dublin City Council | 563 | 23 | 8 | 1 | 6 | 1 | 2 | 604 | 235 |
| Dún Laoghaire-Rathdown County Council | 103 | 3 | | | | 1 | | 107 | 128 |
| Fingal County Council | 111 | 5 | | 15 | 2 | | | 133 | 198 |
| Galway City Council | 132 | 18 | 3 | 1 | 6 | 1 | | 161 | 145 |
| Galway County Council | 236 | 6 | 1 | 34 | 5 | | 1 | 283 | 383 |
| Kerry County Council | 157 | 2 | | | 2 | | | 161 | 373 |
| Kildare County Council | 146 | 7 | 3 | 23 | 9 | | | 188 | 334 |
| Kilkenny County Council | 238 | 4 | | 1 | 1 | 5 | | 249 | 30 |
| Laois County Council | 3 | 2 | 24 | | | 5 | | 34 | 31 |
| Leitrim County Council | 11 | 8 | | | | | | 19 | 15 |
| Limerick City & County Council | 126 | 9 | | | | 1 | | 136 | 320 |
| Longford County Council | | 23 | | 38 | | | | 61 | 55 |
| Louth County Council | 131 | 8 | | 2 | 5 | | | 146 | 560 |
| Mayo County Council | 56 | 9 | | | 6 | | 1 | 72 | 227 |
| Meath County Council | 521 | 5 | 2 | 4 | | 2 | | 534 | 304 |
| Monaghan County Council | 201 | 3 | 4 | | 13 | | | 221 | 259 |
| Offaly County Council | 3 | 41 | | 5 | | | 5 | 54 | 98 |
| Roscommon County Council | 35 | 21 | 1 | | 2 | 1 | 9 | 69 | 108 |
| Sligo County Council | 12 | | | | 1 | 1 | | 14 | 52 |
| South Dublin County Council | 63 | 33 | 23 | 14 | | 1 | 1 | 135 | 135 |
| Tipperary County Council | 74 | 6 | | | | | | 80 | 128 |
| Waterford City & County Council | 82 | | | | | | | 82 | 97 |
| Westmeath County Council | 96 | 17 | 77 | 19 | 1 | 7 | | 217 | 35 |
| Wexford County Council | 255 | 8 | 1 | 1 | 2 | | | 267 | 375 |
| Wicklow County Council | 188 | 1 | | | 1 | | | 190 | 95 |
| Grand Total | 5,120 | 367 | 154 | 164 | 80 | 30 | 19 | 5,934 | 7,417 |
| % of the Total | 86.3% | 6.2% | 2.6% | 2.8% | 1.3% | 0.5% | 0.3% | 100.0% | 100.0% |

Source: Acute Financial Matters Subgroup, CCMA Committee

Appendix 12 - Estimated Value of Unprocessed Applications 2016

| City & County Councils | Total Revisions on hand No. | Total Revisions Less 10% delists | 71% Less than €5,000 € | 15% €5,000 and €10,000 € | 14% greater than €10,000 € | Estimated Value of Rates € |
|--|-----------------------------|----------------------------------|------------------------|--------------------------|----------------------------|----------------------------|
| Carlow County Council | 101 | 91 | 170,437 | 102,263 | 127,260 | 399,960 |
| Cavan County Council | 129 | 116 | 217,687 | 130,613 | 162,540 | 510,840 |
| Clare County Council | 159 | 143 | 268,313 | 160,987 | 200,340 | 629,640 |
| Cork City Council | 258 | 232 | 435,375 | 261,225 | 325,080 | 1,021,680 |
| Cork County Council | 760 | 684 | 1,282,500 | 769,500 | 957,600 | 3,009,600 |
| Donegal County Council | 310 | 279 | 523,125 | 313,875 | 390,600 | 1,227,600 |
| Dublin City Council | 604 | 544 | 1,019,250 | 611,550 | 761,040 | 2,391,840 |
| Dún Laoghaire-Rathdown County Council | 107 | 96 | 180,563 | 108,337 | 134,820 | 423,720 |
| Fingal County Council | 133 | 120 | 224,437 | 134,663 | 167,580 | 526,680 |
| Galway City Council | 161 | 145 | 271,687 | 163,013 | 202,860 | 637,560 |
| Galway County Council | 283 | 255 | 477,563 | 286,537 | 356,580 | 1,120,680 |
| Kerry County Council | 161 | 145 | 271,687 | 163,013 | 202,860 | 637,560 |
| Kildare County Council | 188 | 169 | 317,250 | 190,350 | 236,880 | 744,480 |
| Kilkenny County Council | 249 | 224 | 420,187 | 252,113 | 313,740 | 986,040 |
| Laois County Council | 34 | 31 | 57,375 | 34,425 | 42,840 | 134,640 |
| Leitrim County Council | 19 | 17 | 32,063 | 19,237 | 23,940 | 75,240 |
| Limerick City & County Council | 136 | 122 | 229,500 | 137,700 | 171,360 | 538,560 |
| Longford County Council | 61 | 55 | 102,937 | 61,763 | 76,860 | 241,560 |
| Louth County Council | 146 | 131 | 246,375 | 147,825 | 183,960 | 578,160 |
| Mayo County Council | 72 | 65 | 121,500 | 72,900 | 90,720 | 285,120 |
| Meath County Council | 534 | 481 | 901,125 | 540,675 | 672,840 | 2,114,640 |
| Monaghan County Council | 221 | 199 | 372,937 | 223,763 | 278,460 | 875,160 |
| Offaly County Council | 54 | 49 | 91,125 | 54,675 | 68,040 | 213,840 |
| Roscommon County Council | 69 | 62 | 116,438 | 69,862 | 86,940 | 273,240 |
| Sligo County Council | 14 | 13 | 23,625 | 14,175 | 17,640 | 55,440 |
| South Dublin County Council | 135 | 122 | 227,813 | 136,687 | 170,100 | 534,600 |
| Tipperary County Council | 80 | 72 | 135,000 | 81,000 | 100,800 | 316,800 |
| Waterford City & County Council | 82 | 74 | 138,375 | 83,025 | 103,320 | 324,720 |
| Westmeath County Council | 217 | 195 | 366,188 | 219,712 | 273,420 | 859,320 |
| Wexford County Council | 267 | 240 | 450,563 | 270,337 | 336,420 | 1,057,320 |
| Wicklow County Council | 190 | 171 | 320,625 | 192,375 | 239,400 | 752,400 |
| Grand Total | 5,934 | 5,342 | 10,013,625 | 6,008,175 | 7,476,840 | 23,498,640 |

Source: Acute Financial Matters Subgroup, CCMA Committee

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The bottom half of the page is decorated with several overlapping, semi-transparent blue geometric shapes. These shapes are primarily triangles and quadrilaterals, creating a layered, abstract design. The colors range from a light sky blue to a deep, vibrant blue. The shapes are positioned in a way that they appear to be floating or overlapping each other, with some appearing in front of others, creating a sense of depth and movement.