



An Roinn Tithíochta,
Rialtais Áitiúil agus Oidhreachta
Department of Housing,
Local Government and Heritage

Overview of the Rates Revisions in Local Authorities

Value for Money Unit

Local Government Audit Service

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Prepared by the Department of
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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, relevant Government departments and agencies for comment and where appropriate the comments received were incorporated in the final version of the report.

The website of the Department of Housing, Local Government and Heritage 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 in the report published at <https://www.gov.ie/en/collection/74ba5-value-for-money-reports/>

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Executive Summary

i. Introduction

Commercial rates are one of the largest streams of income (approximately 26%) for local authorities. The income raised through rates is used to fund services in the local authority area.

Commercial rates are levied on property used for commercial and industrial purposes, and are determined by a combination of the rateable value of the property and the annual rate on valuation (ARV). It is the responsibility of the local authority to set the ARV for their area while Tailte Éireann - Valuation (TE) (Formerly the Valuation Office) determine the rateable valuation of the property. The process requires both entities' input to enable rates to be levied. Once TE determines the rateable value of a property, a certificate is issued to the local authority and it is included on the valuation list.

If the valuation certificate is received during the year, the commercial rates are levied from 1 January of the following year for new properties. There is a provision for local authorities to apply a Property Entry Levy (PEL) for new properties for the relevant portion of the year i.e. from the date of valuation to the year end in advance of the commercial rates being applied from the following January. In the past, revisions were only effective from January of the following year. The Local Government Rates and Other Matters Act 2019 includes important modernising elements for rates such as amendments to a valuation list to be effective immediately and pro-rata levying of rates on occupiers based on period in occupation within a year. The new legal framework for commercial rates in the Act will be in place for the 2024 financial year, with most provisions commencing on 1 January 2024 and those necessary for the 2024 budget process and determination of ARVs, commenced in November 2023.

The two main programmes undertaken by TE in relation to commercial rates are The National Revaluation Programme and the Revision Programme.

The revaluation process has been underway in Ireland since 2005, the purpose of which is to ensure that the valuations on all valuation lists are based on modern rental market values. Outside of the revaluation if amendments are required to the valuation list, these are referred to as revisions. Revision is the process whereby

valuation lists are maintained and updated between revaluations. Revisions arise from a material change in circumstance. This includes extensions, amalgamations, subdivisions, delisting/strike off and the completion of new commercial properties. An application process is in place for revisions, they can be submitted by the local authority or the ratepayer. In the majority of cases (90%) the application is made by the local authority. Valuations determined under the revaluation and revision programmes can be appealed by the ratepayer to the Valuation Tribunal.

This overview report will focus on the revision element of commercial property valuation.

ii. Revision Programme 2022, 2021 and 2020

The revision process allows for maintenance of the valuation list so that material changes are captured. Therefore, due to the nature of revisions it is an ongoing process with applications continuously being submitted. Exhibit A below outlines the number of applications received and processed by TE over the past number of years. It highlights an almost 80% increase in processing by TE since 2020.

Exhibit A: No. of Revision Applications Processed by Tailte Éireann – Valuation

Description	No. of cases 2022	No. of cases 2021	No. of cases 2020
Revision applications received during the year	6,893	4,296	5,039
Revision applications processed	8,242	7,341	4,577

Source: Draft Final Valuation Office Report 2022 and Valuation Office Annual Report 2021 and 2020

The significant increase in processing of applications (the highest since 2018) by TE is as a result of a number of factors.

- Firstly an external contractor was procured on a one-off basis to address the build-up of outstanding revision applications. They processed 6,000 applications, predominantly in local authorities due to undergo a revaluation in 2023.

- In addition to this as the revaluation was postponed in 2022 due to COVID-19, internal resources of TE were diverted to working on the revision programme.

While there has been an increase in applications processed there was still a large number outstanding at December 2022, as noted below.

Exhibit B: No. of Revision Applications Outstanding

Description	December 2022	May 2022	December 2021	September 2020	January 2019	May 2016
Revision Applications Outstanding	7,430	7,347	9,247	11,825	8,124	5,934

Source: Information returned by Tailte Éireann - Valuation to different sources over the past number of years as follows: 2016 – 2020 was included in the AFM Reports. 2021 was provided to local authorities dated 9 December 2021, May 2022 was included in the CCMA Report on the Review of the Rates Process (also see Exhibit F). December 2022 was provided by Tailte Éireann - Valuation to the VFM Unit in October 2023.

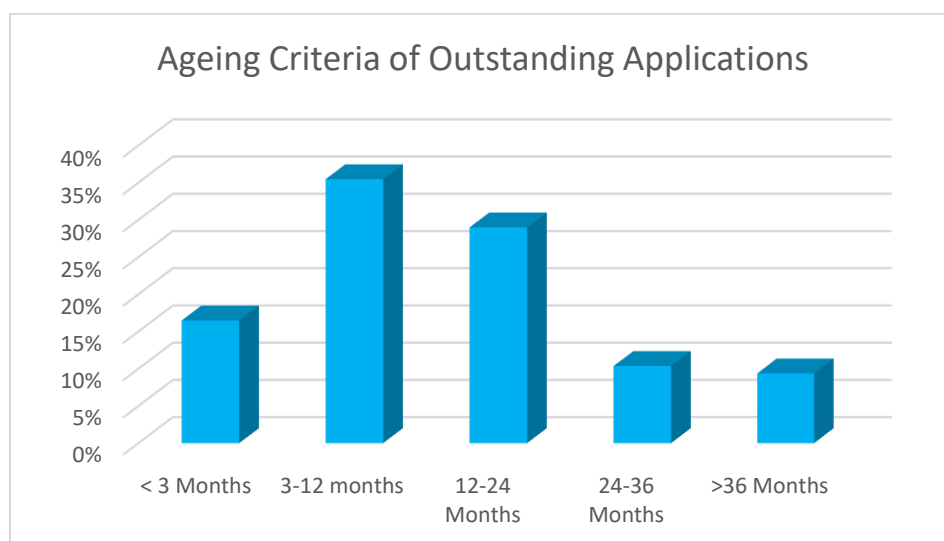
Exhibit B shows an increase in applications outstanding from 2016 to 2020 and then a decrease to 2022. However even with the increased processing in 2022 a backlog still remains to be addressed. Local authorities have indicated that they believe that the use of external valuers on an ongoing basis would help to reduce the backlog.

iii. 2023 Revisions

In order to ascertain information in relation to 2023 revisions, a questionnaire was sent to and completed by all local authorities. The information provided related only to revision applications submitted by local authorities. From discussions with local authority sector representatives, they do not have full visibility of submissions made by ratepayers and are often only aware of them once a new valuation certificate is issued. Local authorities provided information of their applications outstanding as at 10 August 2023, the total being 5,506 (a full breakdown at local authority level is included in Exhibit G).

The local authorities were also requested to provide an aged analysis of their applications outstanding. This information was available from 27 of the 31 local authorities.

Exhibit C: Ageing Classification of Outstanding Revision Applications



Source: Information returned to VFM Unit of LGAS by local authorities

Based on the information provided (Exhibit C) the largest ageing category is 3 to 12 months, followed by the 12 to 24 month category. The application outstanding the longest was submitted in 2012 (see section 4.2.1). There are many reasons for the ageing of these applications, it differs between local authorities.

iv. The Impact

The additional rates income for local authorities estimated by TE for revision applications processed in 2022 and 2021 (net of increases and decreases) was €33.448m and €29.795m respectively. As valuations cannot be applied retrospectively there is potential lost income if the applications had not been processed in the year they were submitted.

From discussions held with TE, the 2023 target for the revision programme is 3,800, which is expected to be met. As it is an ongoing process, given the number of revision applications outstanding at December 2022, the additional applications made in 2023 and the expected processing of 3,800, there will still be a backlog remaining at the end of 2023.

Local authorities have informed us that the loss of income due to delays in the revision programme has a financial impact on the sector, especially as valuations cannot be applied, or commercial rates levied retrospectively. This is particularly

acute with regard to new listings as they would add to the buoyancy of the rates base. The Acute Financial Matters Reports prepared between 2016 and 2020 derived an estimate of the potential income lost through the delay in applying valuations to the applications outstanding. See Exhibit D below.

Exhibit D: Properties Submitted and Outstanding with TE with Estimated Loss of Rates Income

Date of review	Valuations on hand in the VO	Estimated Loss of Rates Income
May 2016	5,934	€23.5m
January 2019	8,124	€31.4m
September 2020	11,825	€45.8m

Source: AFM Report No.37

Delays to some of the revisions can lead to inconsistencies between properties which may lead to inequality between the ratepayers. In addition local authorities have noted it can potentially lead to frustration for ratepayers and then negative engagement and delays in potential loss or gain to the ratepayer.

A number of other reports have been published which further highlight the impacts on local authorities.

The Acute Financial Matters Report (AFM) No. 2 Commercial Rates – New Listings/ Lost income (June 2016) prepared by a subgroup of the City and County Managers Association (CCMA) highlighted that in recent years there has been significant delays in relation to the revision programme. The report sets out an estimated potential loss to local authorities based on the number of revision applications outstanding and the typical pattern of rates accounts. For 2016 this was estimated to be €23.5m annually. Further updates to the report in 2019 and 2020 applied the same basis for calculating the estimated loss based on increased applications outstanding being €31.4m (based on 8,124 applications) and €45.8m (based on 11,825 applications) respectively. See Exhibit D.

The CCMA report entitled 'Review of the Valuation Process and key issues impacting on Local Authority Commercial Rates' looks at the rates process in its entirety and includes revisions as part of its review. It makes a number of recommendations relating to revisions based on the research carried out. Some of these included:

- the establishment of a 'Valuation Office Liaison Group'
- improvement and greater use of digital technology. (There is an obligation on local authorities to ensure they identify material change in circumstances and submit all required information in a timely manner and that they are using all relevant technology such as Building Control Management System (BCMS) to obtain the information)
- further consideration should be given to commencing Section 28 (5) of the Valuation Act 2001 (amended by Valuation Act 2015 s.14) which would require revision requests to be completed within 6 months.

v. Significant Challenges and Future Initiatives

As the revision programme is an ongoing process there will always be applications in train, however the challenge is to address the backlog on hand and maintain and update valuation lists in a timely manner. Over the last number of years TE has been rolling out the National Revaluation Programme and it is a strategic priority of Government. This body of work has required significant resources and the final phase is expected to be completed in 2025. Another significant workload arising from the revaluation has been addressing the appeals. There has been a notable increase in the number of appeals being processed by the Valuation Tribunal and this has required TE to direct their resources to this work stream.

TE have experienced a reduction in their staffing resources while their workload is expanding. They are currently looking at options to increase their resources.

In 2023 TE implemented a new operating system (AXIA), this is being rolled out to local authorities and there still remains some functionality which needs to be enabled once the system enhancements are complete. As the system is not fully operational and there are further updates planned, a number of reports could not be run by local

authorities to ascertain information. For example the historical open cases had not yet been transferred to the new operating system. It is expected that once the final phases are in place more meaningful and accurate data will be recorded therefore allowing for more equitable and fairer valuations and shorter response times which should assist in addressing the backlog.

Tailte Éireann - Statement of Strategy 2023 - 2026 was approved by the Minister and laid in the Houses of the Oireachtas on 26 October 2023. The Oversight Agreement and Performance Delivery Agreement for TE are currently being worked on and will be published in the near future.

1 Introduction

1.1 Background

Commercial rates are levied on property used for commercial and industrial purposes, they are the largest single income stream for local authorities. In principle all properties are subject to rates if they are deemed to be 'relevant properties', however, a number of exemptions have been provided for under legislation (e.g. domestic property, agricultural land). Rates income was €1.7 billion for 2022 (per the unaudited AFSs), (2021: €1.675 billion). This accounted for 26% of all income in the sector for 2022 (2021: 26%) and there are over 150,000 commercial and industrial properties which are subject to rates.

Valuations are central to the rating system and local authorities are reliant on Tailte Éireann - Valuation (TE) (previously The Valuation Office) to carry out valuations before commercial rates can be levied. The main processes in relation to commercial valuation for rates purposes are revaluations and revisions.

The purpose of this report is to collate information relating to the timeline of revisions for commercial valuations.

1.2 Legislation

Valuations are governed by Valuations Acts 2001 to 2020. The Valuation Act 2001 is the principal legislation governing the valuation of properties for rating purposes within Ireland. All relevant properties are assessed and valued in accordance with this. All properties are deemed rateable unless there is an exemption. Exempt properties are set out in Schedule 4 of the Act. The Act also includes a provision for the revaluation of all commercial properties. Part 6 of the 2001 Act refers to 'Revisions of Valuations' and outlines the criteria and process in relation to revisions.

The Valuation (Amendment) Act 2015 introduced a number of amendments to the 2001 Act including 'to facilitate the drawing up and 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 and equitable and uniform relative to each other, to provide for the undertaking, by the occupiers themselves, of all or one or more of the steps in the valuation of certain premises, to

provide for certain matters relating to state property and to provide for related matters'¹. The Local Government Rates and Other Matters Act 2019 includes important modernising elements for rates such as amendments to a valuation list to be effective immediately and pro-rata levying of rates on occupiers based on period in occupation within a year. The new legal framework for commercial rates in the Act will be in place for the 2024 financial year, with most provisions commencing on 1 January 2024, and those necessary for the 2024 budget process and determination of ARVs, commenced in November 2023.

1.3 Scope of this report

This overview report collates information on the Rates Revisions process.

This report focuses predominately on the Revisions aspect of Commercial Rates and therefore the objectives are:

- to set out the revision process
- to obtain the timeline for revisions and identify reasons for delays (if present)
- to ascertain the outcome of the revisions and the potential impact on rates income in local authorities.

1.4 Basis for selection

All 31 local authorities were selected to participate in the review and a questionnaire was sent to and completed by all local authorities. Their responses and data from other sources were collated and analysed into this overview report by the Value for Money Unit. A draft report was sent to all local authorities and other interested parties for confirmation of factual accuracy and feedback comments.

1.5 Sources of information

The following information sources were used for the review;

- Local Government Finance information
- Local Authority Finance/Rates sections

¹ Valuation Amendment Act 2015

- City and County Managers Association publications
- Tailte Éireann - Valuation
- Acute Financial Matters Group reports
- Local Government Audit Service (LGAS) Overview Report for 2021
- 2021 Annual Financial Statements
- 2021/2022 Annual Budgets

2 Rates Process

2.1 Valuations

Valuations of relevant properties for rating purposes are undertaken by Tailte Éireann - Valuation (TE) in accordance with the legislation. The value is determined by estimating the 'net annual value' (NAV). The NAV for a property is defined as the rent reasonably expected per year if all maintenance costs are attributed to the tenant. There are three ways by which TE can determine the NAV, the method used most often is 'comparison'. For this, comparisons are carried out on similar properties within the area. The second method is 'receipts and expenditure', whereby the valuation is determined by the receipts and expenditure of the business operating in the premises. Under the 'contractors' method the valuation is based on the replacement cost of the building, depreciated as appropriate and the value of the site.

Once the value has been determined it is entered into the valuation list. It is then the responsibility of the local authority to levy and collect the rates (see section 2.4 below).

2.2 Valuation Appeals

Under the Act, ratepayers who are dissatisfied with the valuation can lodge an appeal with the independent Valuation Tribunal. This can relate to a revision or a revaluation. The National Revaluation Programme (section 2.3) has resulted in a large number of appeals being lodged by ratepayers. At the end of 2022 there were 1,016² (2021: 1,641³) revaluation appeals and 336 (2021: 343) revision appeals outstanding with the Valuation Tribunal.

There have been a large number of appeals as a result of the revaluation programme. While the revaluation programme redistributes the value across the valuation list, there was no adjustment across the entire rates base for rates loss due to reductions in valuations on appeal until 2019. Section 56 of the Valuation Act 2001 was amended in 2019 and since then the rates limitation order, signed by the

² Draft Annual Report 2022

³ Valuation Office Annual Report 2021 page 16

Minister following each revaluation, factors in an amount for possible rates loss on appeal.

The decision of the Valuation Tribunal is final. There is however a right of appeal to the High Court in relation to a point of law.

2.3 Revaluation

The process of revaluation is a reassessment of the value of all properties within a local authority at the same time and by reference to the same valuation date. The total amount of rates to be collected is then redistributed between the properties by reference to their individual valuations to ensure it is more equitable. Some properties will have an increase and some a decrease in their rates liabilities, but the overall amount of rates to be collected within the local authority area will remain the same in real terms⁴. The purpose is to ensure the valuation remains current.

The National Revaluation Programme began in 2005 and is currently ongoing on a phased basis. (This was the first revaluation since valuations were established in the 1850s.) The most recent phase of revaluation programme was 'Reval 2023' published on 22 September 2023. It included the following local authorities: Clare, Donegal, Galway, Kerry and Mayo County Councils and Galway City Council. The second revaluation of Dún Laoghaire-Rathdown County Council was also completed as part of 'Reval 2023'. It was originally expected that the local authorities included under 'Reval 2023' would have been completed in 2021 however the revaluation was deferred as a result of COVID-19. Once 'Reval 2023' is finalised the remaining two local authorities to be revalued under the first round of revaluations are Cork City Council and Cork County Council.

Revaluations are expected to continue to take place every 5-10 years to ensure the valuation lists are kept up to date.

⁴ Rates Limitation Order – Section 56 Valuation Act, 2001, as amended, with allowances in the upper limit determined by the Rate Limitation Order for inflation, buoyancy from new properties and loss of income following appeal.

Changes that are required in between revaluations, such as valuations of new commercial properties and material changes to existing rateable properties are addressed through revisions (see section 3 below).

2.4 Levying of rates

While local authorities do not have authority to carry out valuations, the levying and collection of rates are legally matters for each individual local authority. Local authorities are under a statutory obligation to levy rates on any property used for commercial and industrial purposes on an annual basis.

In order for this to happen the local authority members determine the Annual Rate on Valuation (ARV) on a yearly basis as part of the budget process. Therefore the ARV is different in each local authority. The local authority must also prepare the rate book. This includes all relevant properties which are subject to rates. The ARV is then multiplied by each of the valuations included on the valuation list to determine the commercial rates for the year. Rates are then levied by the local authority.

Currently in the year when a property is included on the valuation list for the first time an 'entry year property levy' (also known as PEL) is due for the qualifying property. It is based on the number of days from the valuation date until the end of the year. The following year then the full commercial rate amount is due. However, the necessity for levying a PEL will cease from 2024 as under the newly commenced 2019 Rates Act, changes to the valuation list (including new properties entered on the list) will be effective immediately for rating purposes, rather than in January of the following year.

It is the local authorities' responsibility to levy and collect the rates due. The income is used by the local authority to provide a wide range of services in the area (this can include public lighting, footpath upkeep, libraries and public spaces). In 2022 the rates income accounted for 26%⁵ of all income for local authorities. However, local authorities can only levy rates on properties on their valuation lists and are therefore dependent on TE to process revision requests, in order to benefit from buoyancy from new commercial properties.

⁵ Provided by Local Government Finance Unit in the Department. Source was the unaudited AFS. 2022 percentage was also provided by Local Government Finance Unit in the Department.

Historically modifications to the valuation list were only effective from January of the following year. From 1 January 2024, provisions of The Local Government Rates and Other Matters Act 2019 will be commenced which will change the effective date of amendments. The changes mean that amendments to a valuation list will be effective immediately (i.e. revisions, additions and removals and appeals). There is also a provision for pro-rata liability where occupation ends or begins mid-year.

3 Revision of Valuations

3.1 Definition and qualifying criteria

Revisions are a statutory process that takes place in between revaluations. The process of revision allows for existing properties on the valuation list to be reassessed and revised if a 'Material Change of Circumstance' has taken place. This refers to extension, amalgamation or subdivision of the property. It also includes the valuation of new commercial properties which do not already appear on the valuation list. The main criteria are as follows:

1. The property is an existing property whose value has changed by virtue of structural/physical alterations (including damage by fire or other physical cause).
2. The property is an existing property which has been divided into 2 or more separate properties.
3. Two or more existing properties have been amalgamated into a single property.
4. There has been a change in the rateable status of an existing property. This occurs when a property which was previously rateable becomes exempt or a property which was not previously rateable has now become rateable.
5. The property is a new property that has never been valued before.
6. The property is now located in a different jurisdiction by virtue of a rating authority boundary change.
7. The property begins or ceases to be licenced under the Licensing Acts 1833 to 2011⁶.

3.2 The Revision Process

An application for revision can be submitted through the online portal by the local authority or the ratepayer (property occupier, an interest holder in the property or another ratepayer in that local authority area). The cost for a ratepayer application is

⁶ Tailte Éireann Website

€250. Generally speaking, the majority of applications submitted by ratepayers relate to a proposed or expected reduction in the valuation. The majority of applications are submitted by local authorities (circa 90%) See Exhibit E. A number of documents must be submitted in support of the application including plans of property, photos and owner/occupier details. Following an inspection of the property, if it is deemed a material change in circumstance has occurred, a Proposed Valuation Certificate is issued. The ratepayer has 40 days within which to make representations. Where representations are received they must be considered. A Valuation Certificate is then issued and the relevant valuation list is amended 7 days later. Historically, the valuation will only become effective from 1 January the following year, however with the commencement of provisions of the Local Government Rates and Other Matters Act 2019 on 1 January 2024, the valuation will become effective immediately.

3.3 Overview of the 2022, 2021 and 2020 Revision Programme

According to the Valuation Office Annual Reports of 2020 and 2021, there were difficulties in the revisions process due to the COVID-19 outbreak as closures meant inspections could not take place. In order to address these issues, they established data sharing arrangements where they worked and collaborated with local authorities to allow the revisions continue. The table below shows the summary of the revision programme for 2022, 2021 and 2020.

Exhibit E: Summary of the Revision Programme 2022, 2021 and 2020

Revision Category	No. of cases 2022	No. of cases 2021	No. of cases 2020
Revision applications processed	8,242	7,341	4,577
Revision applications in progress at end of the year	1,827	1,607	1,831
New buildings valued	1,325	1,442	565
Alterations and extensions valued	3,179	3,056	1,861
Properties removed - deemed not rateable	2,133	1,126	1,317
Community Sports Clubs exemptions applications			5
Revision Applications received from Local Authorities	5,943	3,851	4,576
Revision Applications received from Ratepayers	427	445	463
Revision applications received from Commissioner Listings	523		

Source: Draft Final Valuation Office Report 2022 and Valuation Office Annual Report 2021 and 2020 and other information received from Tailte Éireann

As per Tailte Éireann - Valuation, the new buildings valued in 2022 (1,325 per Exhibit E) are expected to generate additional rates income of €26.466m in 2023 (2021: 1,442 new buildings generating €26.299m in 2022). Also the valuations of alterations and extensions valued in 2022 is expected to generate €15.043m in 2023 (2021: €12.046m annually in 2022). However this would be offset by the properties removed (as deemed no longer rateable) from the valuation list in 2022 which is deemed to be in the region of €8.061m (2021: €8.550m). Taking the above into account, the net income generated as a result of the 2022 programme is estimated to be in the region of €33.448m.

From the information included in Exhibit E, TE received 6,893 revision applications in total in 2022 and processed 8,242 during the same year, indicating it is addressing some backlog from previous years. There were a further 1,827 applications in process at the end of the year.

It has been pointed out by TE that the processing of a revision application does not always result in the issuing of a valuation certificate. For example where the statutory requirements are not met, such as where there has not been a structural alteration to the property⁷ the application is processed and closed, but no valuation certificate issues. In the case of two or more properties being amalgamated, multiple applications result in the issue of one certificate and in the case of property subdivisions, one application will result in more than one certificate.

It is noted that an external provider was sourced by TE to provide assistance in the revision programme in an effort to reduce the backlog in a number of local authorities (Clare, Cork, Donegal, Kerry, Mayo and Galway County Councils and Cork and Galway City Councils). This service was procured on a one-off basis in 2020. The outsourced revision work undertaken focused mainly on certain property types in the local authorities which were to be included in 'Reval 2023'. There were approximately 6,000 revisions outsourced.

Data obtained at local authority level outlined the total number of properties awaiting new or revised valuations with TE as at December 2021. See Exhibit F below for breakdown by local authority. The total was 9,247, the largest being Cork County

⁷ material change of circumstance as defined in the Valuation Act 2001 as amended.

Council at 1,662 and Sligo County Council with the fewest at 14. Of the 9,247 applications with TE, 33% (3,033) were awaiting initial assignment. This is an improvement from 38%⁸ awaiting assignment in 2020.

Exhibit F: Number of Valuation Revisions with TE by Local Authority (also includes ratepayer applications)

Local Authority	31 December 2022 Total	31 May 2022 Total	9 December 2021 Total
Carlow County Council		125	94
Cavan County Council		95	99
Clare County Council		251	733
Cork City Council		346	394
Cork County Council		1,266	1,662
Donegal County Council		185	835
Dublin City Council		1,345	1,221
Dún Laoghaire-Rathdown County Council		123	94
Fingal County Council		249	174
Galway City Council		121	379
Galway County Council		292	660
Kerry County Council		135	620
Kildare County Council		115	68
Kilkenny County Council		169	52
Laois County Council		102	78
Leitrim County Council		97	107
Limerick City and County Council		172	102
Longford County Council		88	54
Louth County Council		272	110
Mayo County Council		337	690
Meath County Council		302	228
Monaghan County Council		135	100
Offaly County Council		54	35
Roscommon County Council		33	22
Sligo County Council		24	14
South Dublin County Council		203	119
Tipperary County Council		177	165
Waterford City and County Council		153	91
Westmeath County Council		70	28
Wexford County Council		149	107
Wicklow County Council		162	112
Grand Total	7,430	7,347	9,247

⁸ AFM Report No.37

Source: 9 December 2021: Schedule from TE provided to local authorities dated 09/12/2021

Source: 31 May 2022: CCMA Review of the Valuation Process and key issues impacting on Local Authority Commercial Rates

Source: 31 December 2022: Provided by TE to VFM unit in October 2023, breakdown by local authority is not available

The Acute Financial Matters Sub Group of the City and County Management Association (CCMA) prepared a report in 2016 (see section 6) with subsequent updates (2019 & 2020) examining the potential impact on local authorities as a result of the delays in processing valuation revisions (including new properties). These reports provided detail of the number of valuations awaiting a conclusion in 2016, 2019 and 2020 and the estimated annual value of these (see Exhibit K). From the data it can be seen that the outstanding valuations with TE had increased by 5,891 between 2016 and 2020. The data obtained in Exhibit F shows a reduction to December 2021 of 2,578, resulting in 9,247 being on hand in TE and a further reduction to 7,347 by May 2022. This downward trend (based on the available statistics from 2021) is positive but there were still a large number waiting to be assessed as at 10 August 2023 (see section 4 below). The number of properties awaiting revisions with TE is always fluctuating due to the continuous nature of the process. The Acute Financial Matters Reports from 2016, 2019 & 2020 estimated that the lost income for 2016 was €23.5m annually, the estimate of lost income for 2019 was €31.4m and for 2020 was €45.8m. See Exhibit K.

Information on applications processed along with the Net Annual Value (NAV) before and after processing was provided by TE. The information for 2021 and 2022 by local authority is shown in Appendix 2. It is noted by TE that valuations in the local authorities that had not undergone a revaluation are lower because they are based on prevailing 1988 valuation levels expressed as a fraction of their 1988 values. However, the valuations in the revalued local authorities are expressed in full rental value terms based on their post 2005 revaluation dates.

4 2023 Revisions

4.1 Applications outstanding

As part of this overview a questionnaire was circulated to each local authority to ascertain information on the status of their revision applications outstanding as at 10 August 2023. The information sought related only to the applications submitted by local authorities as they would not have sight of the applications submitted by ratepayers. In general the local authority only becomes aware of ratepayer applications once the updated valuation is returned to them or when a list is provided by TE. From discussions with TE the number of ratepayer applications would generally speaking be in the region of 10% of the total revision requests. Exhibit G shows the total number of local authority applications outstanding as of 10 August 2023. The definition of a Revision in section 3.1 includes all examples of a revision. For the purpose of this review the local authorities were asked to provide the outstanding number of revisions in total and provide a split between whether the application relates to a new listing and other types of revisions.

Exhibit G: Local Authority Revision Applications Outstanding at 10 August 2023

Local Authority	Total Outstanding at 10.08.2023	New Listings	Other Revisions
Carlow County Council	116	67	49
Cavan County Council	16	7	9
Clare County Council	163	156	7
Cork City Council	235	73	162
Cork County Council	665	404	261
Donegal County Council	41	35	6
Dublin City Council	940	209	731
Dún Laoghaire-Rathdown County Council	83	23	60
Fingal County Council	249	168	81
Galway City Council	18	6	12
Galway County Council	90	57	33
Kerry County Council	132	Note 1	Note 1
Kildare County Council	265	141	124
Kilkenny County Council	122	89	33
Laois County Council	74	54	20
Leitrim County Council	63	Note 2	Note 2
Limerick City and County Council	242	10	232
Longford County Council	36	20	16
Louth County Council	186	155	31
Mayo County Council	88	43	45
Meath County Council	282	126	156
Monaghan County Council	130	13	117
Offaly County Council	52	20	32
Roscommon County Council	20	16	4
Sligo County Council	55	16	39
South Dublin County Council	110	52	58
Tipperary County Council	203	80	123
Waterford City and County Council	256	131	125
Westmeath County Council	136	39	97
Wexford County Council	173	81	92
Wicklow County Council	265	152	113
Grand Total	5,506	2,443	2,868

Source: Information returned to VFM Unit of LGAS by local authorities

Note 1: On 14 April 2023 Kerry County Council had a record of 132 cases outstanding. As they are undergoing a revaluation they do not have access to the portal and are not in a position to ascertain how long they have been with TE or their current status or provide further breakdown. They have not submitted any further applications since 14 April 2023.

Note 2: There were 63 records on the new Tailte Éireann Portal for Leitrim County Council on 10 August 2023. The local authority is not in a position to extract any further information on these applications so can't provide the split of data.

As can be seen in Exhibit G above, the number of local authority applications submitted and remaining outstanding at 10 August 2023 is 5,506. While the split between new listing and other types of revision applications is not available for all local authorities it was available for the majority and the percentage split is based on the information available. It shows that 46% of outstanding applications related to new listings and 54% related to other revisions.

Local authorities also returned information on applications they had in hand on 10 August 2023 that had not yet been submitted to TE for processing. Twelve local authorities had no un-submitted applications. The local authorities undergoing 'Reval 2023' don't have access to new applications during this time. Once the revaluation is complete they can be submitted. The number of applications on hand and waiting to be submitted for these local authorities are set out below in Exhibit H. The remaining twelve local authorities had applications on hand which were yet to be submitted. Reasons for these un-submitted applications included waiting on further information and inspections before submission, only recently received and the workload associated with it. The local authority with the largest number on hand was Waterford City and County Council with 70 properties, 60 of these being new listings. This was as a result of a project undertaken in 2023 to compare the properties on their rate book to the GeoDirectory dataset to ensure they had a complete list of properties. To date this project has identified a number of new properties for valuation and once the project is completed they will submit them to TE.

Exhibit H: Local Authority Revision Applications Not Yet Submitted

Description	Type	No. of applications
Reval 2023	New	94
Reval 2023	Revision	133
Non Reval LA	New	142
Non Reval LA	Revision	105
Total		474

Source: Information returned to VFM Unit of LGAS by local authorities

In advance of a local authority undergoing a revaluation, significant efforts are made by TE to ensure the valuation list is up to date so that once the revaluation is complete there should be less amendments required (which involves working through the backlog of revisions pending). For example, as per Donegal County Council, for many years it had a long standing backlog of cases with a peak of 1,588 cases in August 2020. A considerable number of these cases had been awaiting revision/valuation for several years, in some cases for 3-4 years. However, data for August 2023 shows a relatively small backlog of cases as significant efforts were made to reduce the list in advance of 'Reval 2023'. Section 3.3 above notes the external provider was contracted to carry out revisions in the local authorities which were due to undergo the revaluation process. Due to the rollout of the new operating system and the completion of 'Reval 2023' the Revision Programme for 2023 did not begin until September 2023. Local authorities have indicated that they believe that the use of external valuers on an ongoing basis would be beneficial.

4.2 Ageing Analysis

The questionnaire also sought information from the local authorities of the submissions outstanding as per Exhibit G broken down into an aged analysis. The responses are set out in Exhibit I below.

Exhibit I: Aged Analysis of Local Authority Applications Outstanding at 10 August 2023

Local Authority	< 3 Months	3-12 Months	12-24 Months	24-36 Months	>36 Months	Total
Carlow County Council	34	0	77	4	1	116
Cavan County Council	Note 1					
Clare County Council	0	27	9	126	1	163
Cork City Council	10	76	77	49	23	235
Cork County Council	77	307	196	54	31	665
Donegal County Council	0	33	8			41
Dublin City Council	178	215	219	81	247	940
Dún Laoghaire-Rathdown County Council	0	83	0	0	0	83
Fingal County Council	47	109	60	8	25	249
Galway City Council	0	11	4		3	18
Galway County Council	0	66	15	2	7	90
Kerry County Council	Note 2					
Kildare County Council	52	136	65	7	5	265
Kilkenny County Council	14	24	67	7	10	122
Laois County Council	11	34	28		1	74
Leitrim County Council	Note 3					
Limerick City and County Council	85	Note 4				85
Longford County Council	2	15	15	4	0	36
Louth County Council	9	65	110	1	1	186
Mayo County Council	0	47	14	2	25	88
Meath County Council	56	44	114	29	39	282
Monaghan County Council	9	23	24	74		130
Offaly County Council	6	26	6	11	3	52
Roscommon County Council	1	9	7	3	0	20
Sligo County Council	22	13	20	0	0	55
South Dublin County Council	15	32	45	8	10	110
Tipperary County Council	27	84	75	15	2	203
Waterford City and County Council	0	125	104	22	5	256
Westmeath County Council	27	74	34	0	1	136
Wexford County Council	86	1	33	17	36	173
Wicklow County Council	46	143	63	8	5	265
Grand Total	814	1,822	1,489	532	481	5,138

Source: Information returned to VFM Unit of LGAS by local authorities

Note 1: Cavan County Council were unable to provide an aged breakdown of their revision applications outstanding.

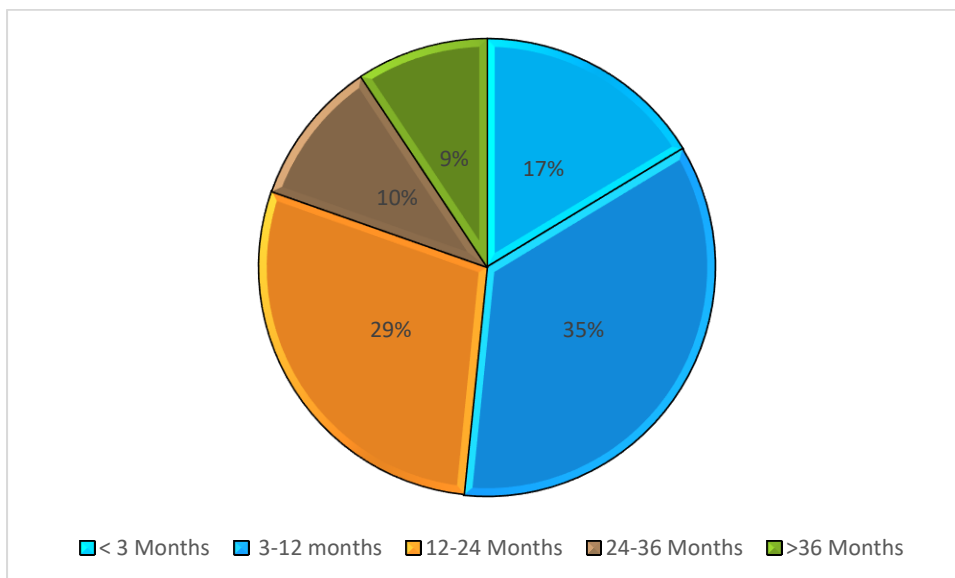
Note 2: On 14 April 2023 Kerry County Council had a record of 132 cases outstanding. As they are undergoing a revaluation they do not have access to the portal and are not in a position to ascertain how long they have been with TE or their current status or provide further breakdown. They have not submitted any further applications since 14 April 2023.

Note 3: There were 63 records on the new Tailte Éireann Portal for Leitrim County Council on 10 August 2023. The local authority is not in a position to extract any further information on these applications so can't provide the split of data.

Note 4: Limerick City and County Council did not have the aged figures available to them at the time the questionnaire response was submitted and included all outstanding applications in the less than 3 months category.

As can be seen in the above table, the aged analysis was not available from all local authorities. However, based on the information that was available from the 27 local authorities the largest ageing bracket for outstanding applications was greater than 3 months and less than 12 months at 35%. Followed by the 12 to 24 month ageing bracket at 29%. The lowest category of ageing was greater than 36 months at 9%. In relation to the delay in processing the revision applications a number of local authorities have made reference to the timeline set out in legislation however this has yet to be enacted.

Exhibit J: Ageing Criteria of Outstanding Applications



Source: Information returned to VFM Unit of LGAS by local authorities

4.2.1 Oldest Revisions Outstanding

Local authorities were asked to provide the date of the oldest applications submitted which they had outstanding as at 10 August 2023. There were two local authorities where their oldest new listing application was submitted in 2016, one was for a telecommunication structure and the other a generation station (this type of listing had been challenged in the high court but is rateable so a decision is expected shortly). Similarly three local authorities had applications submitted in 2017. One of these local authorities is unable to access the information on the system relating to this property and it will require further investigation once the system is fully operational. The second relates to part of a sports complex, the local authority has not been provided with an explanation for the delay. The third is relating to a nursing home.

The oldest revision (non-new listing) application which remained outstanding was submitted in 2012 and relates to a boutique guesthouse. Another County Council has a revision outstanding since 2013 relating to a Quarry, this was on the list before the revaluation in that county and is still showing as open after revaluation. Further investigation is required in relation to this revision case. There are revision applications in two County Councils dating from 2016, one relates to a bed and breakfast property and the other to a cafe.

There are many reasons why applications have been outstanding in the long term, it differs between local authorities. TE has confirmed they are prioritising the completion of pre 2020 revision applications for the remainder of 2023 and into 2024.

5 The Impact

Local authorities were asked to provide details of the impacts (if any) that they were experiencing as a result of delays in the revision process. The majority of local authorities (30 out of 31) made reference to the loss of income. As commercial rates can only be levied on properties on the valuation list, delays in processing revision requests result in unrealised income especially if the revision relates to a previously unlisted premises. The impacts identified by the local authorities were:

- Loss of income for local authorities as delays in valuation result in delays in rates being levied. In particular, the delays in valuing new properties have been flagged by some local authorities as having a significant impact due to lost income for periods where properties are not rated. Other local authorities have highlighted that delays in processing revaluation appeals, some dating back to 2019, are having a negative impact on collection percentage rates.
- The loss in rates base buoyancy and inaccurate valuation lists impact the budgetary process. The delays result in properties being omitted from the budget or sometimes, estimates being used which is a complex process and poses a risk of error. The effect on the budgetary process in turn affects the following year's rate book.
- As valuations cannot be applied, or commercial rates levied retrospectively, this could result in lost income in relation to more than one financial year for the local authority, which could potentially impact the service delivery plan of the local authority.
- The inconsistencies between rateable properties also results in unfairness and inequality to ratepayers.
- There is a higher administrative burden for local authority staff due to the constant follow ups with TE and also the need for manual adjustments while waiting for valuations.

6 Other Reports

6.1 Acute Financial Matter Reports

The Acute Financial Matters subgroup was established by the City and County Managers Association (CCMA). It identifies and prepares reports on areas which have impacts on the finances of local government. Acute Financial Matters Report (AFM) No. 2 Commercial Rates – New Listings/ Lost income (June 2016) noted that in recent years there were significant delays in relation to commercial rates for new or improved properties. It also identified the commencement of the national revaluation project as a contributor to the delays. The report provides that the annual loss in relation to these delays is cumulatively significant for the local authority sector and provides detail of potential loss. The estimated loss was calculated using stratification based on the pattern of rates accounts in local authorities as follows: as 71% of Rate Accounts have annual rate of €5,000 or less €2,500 was applied, 15% of Rate Accounts have an annual rate of between €5,000 and €10,000 so an average of €7,500 was used and 14% of Rate Accounts have an annual rate of over €10,000 so €10,000 was used in the calculation. The estimate also took account of applications relating to potential removal from the list by applying a possible 10% relating to removals.

There were two further updates to the report, AFM No. 25 (2019) and AFM No. 37 (2020). Both updates highlight an increase in the number of revisions on hand with TE and an increase in estimated lost rates income (see Exhibit K below).

Using the same basis for estimating the potential loss of income, in 2020 this loss was deemed to be in the range of €45m based on 11,825 outstanding valuations.

Exhibit K: Properties Submitted and Outstanding with TE with Estimated Loss of Rates Income

Date of Review	Valuations on hand in the VO	Estimated Annual Value	Movement V 2016	% Movement V 2016	Movement V 2019	% Movement V 2019
May 2016	5,934	€23.5m				
January 2019	8,124	€31.4m	+€7.9m	+34%		
Sept 2020	11,825	€45.8m	+€22.3m	+95%	+€14.3m	+46%

Source: AFM Report No.37

AFM No.2 report also put forward a number of potential solutions in relation to the delays including:

- a whole of life assessment of the rates lifecycle should be undertaken
- assignment of additional resources to TE
- expedition of existing provisions in legislation to allow for early valuation to be completed
- it also included suggested changes which could be made in the business process and associated changes in legislation.

In addition the local government sector had sought to have Section 28(5) of the 2001 Act commenced as it would require all valuations to be completed within six months. (AFM No.25).

AFM No.37 highlighted that the preferred solution in AFM No.2 involving a revised model for valuing properties for rating purposes is still the favoured solution by the local authority sector. This included appointing a valuer for each of the 31 local authorities who was independent from the local authority.

6.2 Review of the Valuation Process and key issues impacting on Local Authority Commercial Rates

This report was prepared on behalf of the CCMA Finance Committee under the guidance of the Commercial Rates Research Advisory Group in 2022. The terms of reference for the report was “To explore the issues impacting upon Local Authority commercial rates income and to identify the implications for all stakeholders including the Valuation Office, the Department of Housing, Local Government and Heritage and Ratepayers with a view to outlining areas where possible improvements could be made”. A number of stakeholders were consulted during the research for this report, they included ratepayer representatives, the Valuation Office (now known as Tailte Éireann - Valuation), business representatives and bodies in other jurisdictions. The report looks at the valuation process in its entirety including valuations, revisions, revaluations, appeals and tribunals while taking into account processes outside local authorities which impact on commercial rates income and identifies measures to address deficiencies noted across the board.

The key findings set out are across the full valuation process under review however it does specifically identify findings in relation to revisions. It acknowledges that TE performs valuable work for the sector and revisions have resulted in a significant buoyancy in rates for local authorities in the past. The increase to a 40 day period for representations (Appendix 1 Stage 5) is considered to be sufficient. This said, there still remains a considerable backlog of revisions to be processed which results in lost income for local authorities. It refers to a lack of transparency from a business perspective including how the revision is arrived at and the narrow criteria for revisions. With the move to the new operating system in TE there is a necessity for local authorities to review previous submissions for data cleansing so as to ensure they remain relevant and consideration should be given to streamlining the input data to allow for greater use of the information in the sector such as trend analysis.

The report puts forward 35 recommendations under the following headings:

- 'measures to improve the efficiency and effectiveness of revision, revaluation and appeals process
- improving the administration of commercial rates in the interest of local authorities and ratepayers
- recommendations that require legislative amendment
- longer term proposals'.

A key recommendation was the establishment of a 'Valuation Office Liaison Group'. It was put forward that a Liaison Group could play an important role in helping to address the backlog issues. In addition to this, the report recommends improvements in the operating system, greater use of digital technology - this includes the introduction of TE's new system and all local authorities using the Building Control Management System (BCMS) to aid in the efficiency of data transfer. These recommendations along with mechanisms for greater transparency could improve efficiency and may assist in minimising the number of appeals. It also makes reference to the commencement of the six month time period for processing revisions which is set out in legislation but has not yet been commenced. The report also puts forward that as the administration of rates lies with local authorities there is an onus on them to ensure there are strong processes in place for identifying

revisions, that comprehensive information is submitted to TE, that online systems should be utilised to facilitate self-service options for ratepayers to pay bills and to update their information.

7 Rates Revisions in Other Countries

7.1 Northern Ireland

Land and Property Services (LPS) is responsible for valuing a new property in Northern Ireland before rates can be levied. It is the responsibility of the ratepayer to inform LPS when a new property is complete and ready for valuation. As part of the process LPS will determine the date the new property becomes effective (even if it is vacant) and therefore the rates due will be backdated to that date regardless if there had been a delay in informing LPS. The process is similar in relation to amendments to valuations. LPS aim to have the valuation process completed within 90 days. As well as providing the valuation, the LPS also calculate and collect the rates income. The rate comprises two elements, the District Rate and the Regional Rate. District Rates are set by the local councils and the income collected through this is used to fund local services. The Regional element is set by Central Government and the income is used to help fund services such as education, water and roads. Domestic properties in Northern Ireland are also subject to rates.

7.2 England

The Valuation Office Agency is responsible for determining the rateable value of a property in England. There are a number of factors which determine the effective date. For example if it relates to a new property and the local authority have served a completion notice then that would be considered the effective date. If the local authority have not served a completion notice then the effective date is the later of the date of the event or 1 April 2023 as this was the date the new valuation list came into effect in England. For the deletions, material change in circumstances, splits, mergers or reconstitutions the effective date is the later of the date of the event or 1 April 2023.

8 Tailte Éireann - Valuation (Formerly The Valuation Office)

On 1 March 2023 Tailte Éireann was established. It was formed through the merger of the Valuation Office, Property Registration Authority and Ordnance Survey Ireland. This is a new Government body which provides for all Land and Property services to be dealt with through one agency by providing a comprehensive and secure property title registration system, a professional State valuation service, and an authoritative national mapping and surveying infrastructure all in the same organisation. The functions of the Commissioner of Valuation have transferred to the new body.

Tailte Éireann - Valuation continues to be responsible for State Valuation services. Its primary role is to provide valuations on which commercial rates can be levied, therefore delays in valuations impact on the rateable income for the local authority sector. The rates income for 2022 is approximately €1.7 billion per the unaudited annual financial statements. It also provides a valuation service to other Government Departments including open market capital and rental valuations.

The Valuation Office Strategic Plan for 2021- 2023 sets out a number of deliverables including eliminating the revision backlog. See deliverables set out below:

- complete the first revaluation of all local authority areas
- publish an annual Programme of Revaluation up to 2030, shortening the timeframes between revaluations
- eliminate the backlog of revisions applications
- implement new statutory timelines for carrying out revisions
- continue to deliver the current Global Valuations Programme.

A previous VFM report 'An Overview of Commercial Rates in Local Authorities' December 2018 noted that there were measures proposed to eliminate the revision backlog by October 2019. As the TE 2021 Annual Report noted, the COVID-19 restrictions resulted in the revaluation and the revision programme being delayed due to operational reasons.

As noted in section 3.3, a third party was contracted on a one-off basis to undertake circa 6,000 revision cases in an effort to reduce the backlog. The contract related to specific counties mainly in the West and was carried out in advance of the Revaluation Programme in this area. The work was undertaken during 2021 and 2022 and thus there is a large increase in revisions processed in these years. At present there is no plan for this to be repeated as its original intention was to streamline the rate listings in advance of the revaluation.

Per discussions with TE, 2022 was a record year in terms of addressing the backlog of revisions and increasing the buoyancy of the valuation list. Along with the third party contractor addressing the revisions, the revaluation program had been paused due to COVID-19 so there were more resources available to the revision programme. A target of 3,800 revisions was agreed with the Department for 2023 and it is anticipated that will be met. A number of other work streams are in train in TE during 2023 and have had an impact on the resources available, these include 'Reval 2023', the roll out of the new operating system and the Valuation Tribunal increasing their throughput of cases. That being said, TE are aware of the backlogs in processing the applications submitted and are working to provide a solution to address it. It is anticipated that once the revaluation is complete there may be an opportunity to divert more resources into dealing with the backlog. Tailte Éireann - Statement of Strategy 2023 - 2026 was approved by the Minister and laid in the Houses of the Oireachtas on 26 October 2023. The Oversight Agreement and Performance Delivery Agreement for Tailte Éireann are currently being worked on and will be published in the near future.

A new operating system (AXIA) was introduced on 24 April 2023. It is being rolled out in phases and is expected to be fully operational in all local authorities by the end of 2023. Ongoing investment in Project AXIA was secured for 2024 in the estimates process, to ensure its continued development and roll-out. It replaces the existing system (VOS) with the aim being to streamline the process and bring about efficiencies. AXIA is a cloud-based digital first system and is intended to be intuitive, user friendly and have a wider suite of reporting options. Local authorities and third parties are required to provide as much information as possible to process the

application. The local authorities which are part of 'Reval 2023' will not be migrated across to the new AXIA system until the revaluation is complete.

The planned functionality of the new system are as follows:

- The use of handheld field devices that allow valuer/surveyors to sketch buildings, add inspection notes and photographs and to upload their findings to a server in real time.
- Improved data sharing and capture capabilities will likely achieve more robust valuations.
- The ability to use government open-source data (e.g. the Commercial Lease Register and the Building Control Management System, combined with geo-spatial data) as part of the valuation process. This is expected to enhance valuation accuracy.

It is anticipated by Tailte Éireann that AXIA will achieve efficiencies in operation over the medium term that will help to eliminate backlogs and shorten the revision cycle. Feedback from the local authorities on the new system is mainly positive.

Improvements reported by local authorities are set out below:

- The enhanced map allows for faster identification with the ability to pin drop the locations of a revision onto Google Maps within the system and photos of some properties are also available.
- User friendly with a better search functionality, ability to share floor plans and save draft revision forms for completion at a later time. There are pre-populated fields for revision applications making this process easier.
- Direct notification functionality allows for better communication and there is an ability to check if valuation appeals have been lodged. Case management has improved and there is better reporting on cases outstanding.
- A reporting system is planned as a future enhancement which will be useful for statistical purposes.
- Improved functionality regarding new builds as there is no longer a requirement to tag an existing property when making the submission.

A small number of local authorities have indicated that they see limited benefits compared to the old system. However, it has mainly been acknowledged by those local authorities that as the system is not fully in place yet it is difficult for them to fully review it. They have noted that open cases are not as detailed, some historical information is not available such as original date posted to Valuation Office, the system times out when uploading multiple documents, lack of map functionality when a rated property is highlighted and search criteria not saving for future use. Local authorities have noted that there are enhancements planned in the future and once fully operational they expect to see more improvements.

Tailte Éireann have noted that they face difficulties in relation to processing and completing new and revision applications.

The recruitment of employees with property valuation qualifications has been challenging. There are a limited number of graduates each year as well as strong competition from the private sector, which has a shorter recruitment process, therefore it has been difficult to compete. Also with emerging technology advances (e.g. data centres, windfarms) there is a need for specialist input and valuation expertise. Tailte Éireann have indicated that they are attempting to address recruitment issues by attracting interns on work experience programmes in the hope that they would be encouraged to join Tailte Éireann when they are fully qualified.

Tailte Éireann have also highlighted the fact that the membership of the Valuation Tribunal has increased four-fold in the past three years allowing for a greater throughput of appeals (Valuation Tribunal membership comprises a Chairperson, Deputy Chairpersons and Ordinary Members drawn mainly from the legal and property valuation professions⁹). They have also noted that the number of appeals have increased as a result of a more litigious environment. As mentioned above, Tailte Éireann have had difficulties with recruitment of valuers and therefore it has been challenging to keep pace with the increasing number of appeals to be addressed.

⁹ <https://www.valuationtribunal.ie/>

Projects such as 'Reval 2023' and the roll out of the new Axia system have also had an impact on the ability to eliminate the backlog.

Tailte Éireann has advised that they are working to ensure that the revision, revaluation and appeals functions are adequately resourced in an attempt to avoid backlogs and delays in the revision and revaluation programmes in the future. They are prioritising the number of applications on hand with the intention of reducing the backlog in 2024.

Acknowledgement

In order to complete this Overview of the Rates Revisions in Local Authorities, the Value for Money Unit of the Local Government Audit Service appreciated the co-operation, support and advice from the following sections and personnel during the course of this review;

- Department of Housing, Local Government, and Heritage, Local Government Finance Unit and personnel consulted
- Tailte Éireann - Valuation (Formerly the Valuation Office)
- The Local Government Management Association
- CCMA / Heads of Finance working group
- The local authorities - Finance sections
- Local Government Audit staff

References

Sources

CCMA Working Groups - Acute Financial Matters Group

- AFM Report No.2: Commercial Rates – New Listings/Lost Income (June 2016)
- AFM Report No.25: Commercial Rates – New Listings/Lost Income 2019 Update (March 2019)
- AFM Report No.37: Commercial Rates – New Listings/Lost Income 2020 Update (September 2020)

Tailte Éireann - Valuation (Formerly The Valuation Office)

- Draft Annual Report 2022
- Annual Report 2021
- Annual Report 2020
- Strategic Plan 2021-2023

Other Reports

- Review of the Valuation Process and key issues impacting on Local Authority Commercial Rates, July 2022. Prepared on behalf of the CCMA Finance Committee under the guidance of the Commercial Rates Research Advisory Group

Other Sources

- Valuation Office Agency (UK) Rating Manual
- Land and Property Service NI

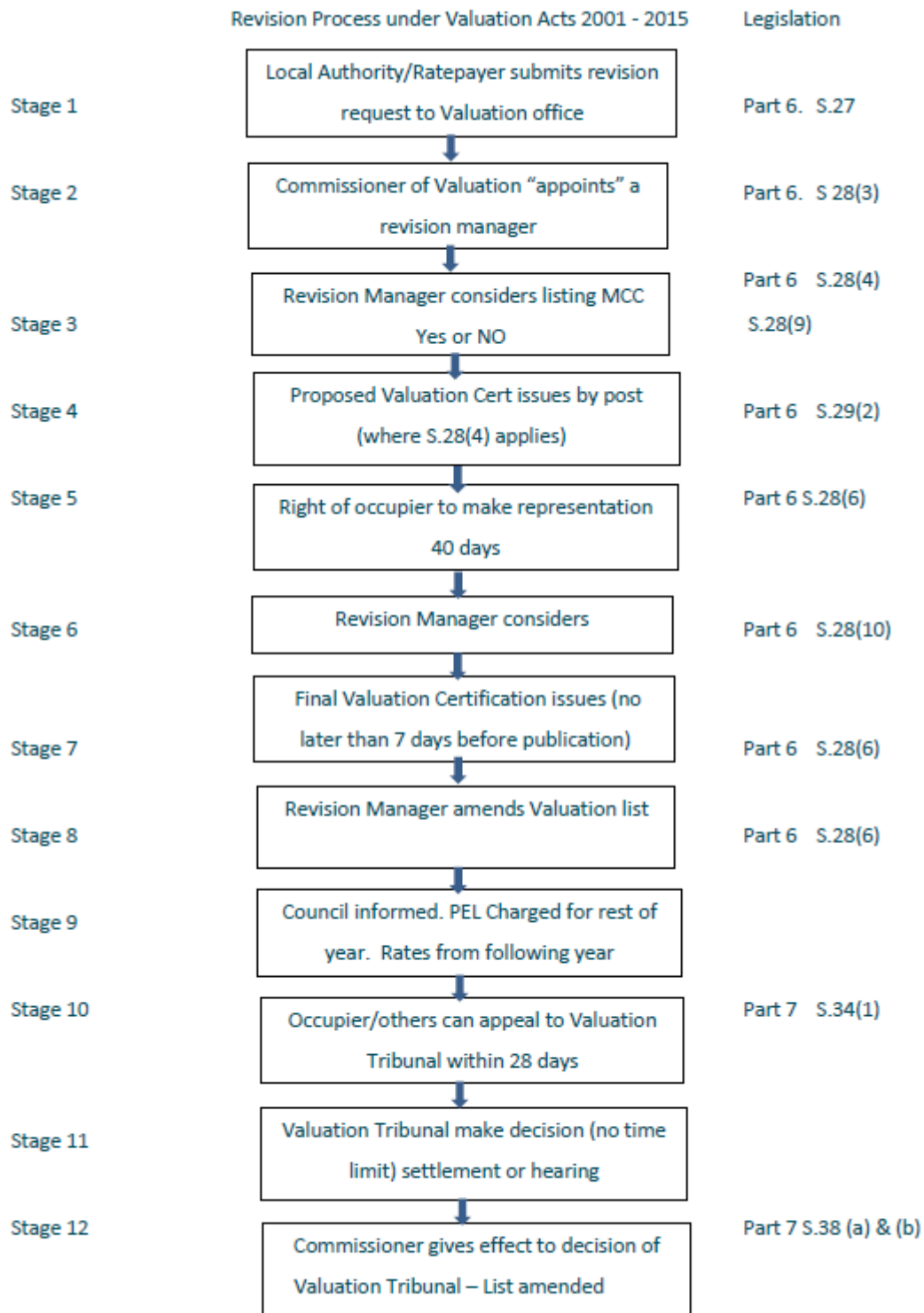
Appendices

Appendix 1 Stages of the Revision Process

Appendix 2 Before and After Net Annual Valuations (NAV)

Appendix 1

Stages of the Revision Process



Source: CCMA Commercial Rates Review Report July 2022

Appendix 2

Net Annual Value (NAV) of Applications Before and After Processing by TE in 2021 and 2022

Local Authority	2021 Value Before	2021 Value After	2022 Value Before	2022 Value After
Carlow County Council	€993,340.00	€985,890.00	€2,442,030.00	€2,403,650.00
Cavan County Council	€5,807,170.00	€7,349,080.00	€659,570.00	€655,310.00
Clare County Council	€99,470.00	€106,288.66	€41,736.00	€46,115.17
Cork City Council	€43,877.00	€63,388.24	€55,407.00	€64,899.81
Cork County Council	€182,870.00	€223,877.29	€79,733.00	€107,754.97
Donegal County Council	€35,659.00	€51,806.33	€39,211.00	€54,987.97
Dublin City Council	€67,959,107.00	€87,381,370.00	€33,401,120.00	€73,812,590.00
Dun Laoghaire Rathdown Co Co	€15,049,640.00	€28,935,170.00	€28,731,640.00	€34,094,470.00
Fingal County Council	€48,615,360.00	€77,750,380.00	€36,528,150.00	€64,808,050.00
Galway City Council	€20,174.00	€28,903.63	€72,673.00	€88,554.95
Galway County Council	€19,340.00	€22,880.36	€39,029.00	€51,502.95
Kerry County Council	€62,577.00	€65,620.14	€62,381.00	€71,000.70
Kildare County Council	€4,736,529.00	€5,210,830.00	€11,442,760.00	€15,137,995.00
Kilkenny County Council	€4,985,275.00	€6,088,450.00	€535,420.00	€648,040.00
Laois County Council	€846,330.00	€1,738,500.00	€645,600.00	€688,300.00
Leitrim County Council	€1,873,023.00	€2,270,793.00	€341,050.00	€461,291.00
Limerick City and County Council	€6,381,350.00	€7,138,435.84	€8,854,157.00	€13,903,131.98
Longford County Council	€6,438,630.00	€1,775,740.00	€518,250.00	€605,620.00

Louth County Council	€2,140,510.00	€1,504,220.00	€704,820.00	€763,820.00
Mayo County Council	€25,554.00	€43,295.82	€68,883.00	€68,550.10
Meath County Council	€15,409,710.00	€33,921,160.00	€3,182,600.00	€27,244,460.00
Monaghan County Council	€956,480.00	€1,269,460.00	€2,737,970.00	€2,603,830.00
Offaly County Council	€8,924,630.00	€3,375,540.00	€48,410.00	€0.00
Roscommon County Council	€413,880.00	€491,000.00	€455,350.00	€416,600.00
Sligo County Council	€1,732,840.00	€3,075,505.00	€38,897.00	€83,980.00
South Dublin County Council	€27,704,610.00	€42,609,330.00	€17,320,390.00	€30,286,280.00
Tipperary County Council	€1,734,380.00	€1,464,614.00	€15,571,380.00	€16,091,200.00
Waterford City and County Council	€5,346,380.00	€6,502,815.00	€838,660.00	€313,230.00
Westmeath County Council	€1,176,060.00	€1,559,670.00	€1,104,330.00	€980,110.00
Wexford County Council	€3,937,180.00	€5,360,850.00	€2,633,030.00	€2,367,410.00
Wicklow County Council	€1,973,480.00	€4,775,680.00	€4,290,910.00	€3,459,470.00
Totals	€235,625,415.00	€333,140,543.31	€173,485,547.00	€292,382,204.60
Net Increase in Total Valuation		€97,515,128.31		€118,896,657.60

Source: Information returned to VFM Unit by Tailte Éireann – Valuation

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The Department of
Housing, Local Government and Heritage



An Roinn Tithíochta,
Rialtais Áitiúil agus Oidhreachta
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