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## Finance Strategic Policy Committee (SPC) 2019 – 2024 Terms of Reference

### **Background**

The Finance Strategic Policy Committee (SPC) was introduced following major changes applied to local government through the introduction of the Local Government Act 2001. The Finance SPC replaced the former Coisde Airgeadais. Following three terms, it is considered timely to review the Terms of Reference of the Strategic Policy Committee as a new council of Elected Members and external interests are formed.

### **Context of the Incoming Finance Strategic Policy Committee**

The financial context of Dublin City Council is complex. Within the City, some sectors are performing strongly, bringing increased employment, while other sectors are trading less dynamically as many factors impact on demand and the trading environment. In recent years there has been an expansion of e-retailing and a growing digital economy. There are both risks and opportunities attaching to the broadening of retail which would benefit from consideration.

### **LPT**

The LPT funding available to the elected members to consider as part of the budgetary resource allocation process has been below expectations. The LPT framework as applied to Dublin City Council, has not had a favourable outcome in supporting service provision. In particular:

- The net funding available for resource allocation at the discretion of the elected members is 5% of the total LPT basic liability or €4m.
- To date the Elected Members have voted for and applied a 15% reduction to the Basic LPT for Dublin City, thereby reducing householders liability and potential funding for Dublin City Council services.
- Dublin City Council contributes 20% of its LPT receipts to the National Equalisation Fund – a fund that Dublin City Council funds but never receives (this fund benefits rural local authorities).
- Circa 40% of LPT receipts have replaced grant funding for DCC.

- The experience of DCC is in sharp contrast to rural local authorities, being net beneficiaries of the National Equalisation Fund and also in receipt of existing government grants.

## ***Brexit***

It is not yet clear as to the substance and form of Brexit and indeed it's financial, social, cultural and political impact. It may be appropriate for this SPC to give due consideration to the financial consequences of Brexit, on a rolling review basis.

## ***Business focus***

Dublin City Council has adopted a hugely pro-business stance over the last decade with regard to Commercial Rates. There have been no or modest increases to the Annual Rate on Valuation each year. This brings benefits to rate payers in that rates liabilities have been broadly constant. That said, it may be opportune to consider the benefits that could accrue to business from a focused application of monies generated from planned, minimal value rate increases. Sustained economic growth provides a platform for community and social development.

The committee will seek to understand new rating legislation passed through the Houses of the Oireachtas in 2019 (Local Government Rates and Other Matters Act 2019).

## ***Governance***

There is greater scrutiny than ever before, from the public, media and central government on how local government uses its resources. This places an obligation on Dublin City Council and the Elected Members to ensure that public money is spent in the most effective and efficient manner, aiming to ensure confidence in the process and effectiveness of service delivery.

## ***Objectives of the Finance Strategic Policy Committee***

The previous Finance SPC (2014-2019), agreed key strands for the Committee to focus on, which were:

1. Transparency and accountability in expenditure and resourcing.
2. Review of collection of debts due to Dublin City Council.
3. Securing quality of service and value for money.
4. Promoting social and economic prosperity and equality.
5. Sustainable local government funding.
6. Corporate governance.
7. Community development.

These issues are suggestions for this Committee to consider in determining priorities and focus over its tenure (2019-2024). The detail behind each issue is set out below.

**1. Transparency and accountability in expenditure and resourcing.**

The Finance SPC will scrutinise past spending and proposed future financing of Dublin City Council's departments. It will work to ensure that Elected Members and the public fully understand the revenue sources and expenditure decisions of Dublin City Council. The previous Committee (2014-2019) expressed that it would examine the Annual Financial Statement, however Dublin City Council's Audit Committee carry out this work in detail.

**2. Review of collection of debts due to Dublin City Council.**

The Finance SPC will scrutinise the collection performance of Dublin City Council debts, across both the revenue (operational) and capital (investment) activities. Dublin City Council services support the functioning of the City and all monies properly owed to the City contribute to the service provision. Also it is accepted that from an equity perspective, the Council must pursue those who do not discharge their debts to Dublin City Council and to acknowledge the efforts made by those who meet their Dublin City Council liabilities. The Finance SPC will review all debt areas including Commercial Rates, housing rents, housing loans, development contributions and government debtors.

**3. Securing quality of service and value for money.**

The Finance SPC will consider value for money reviews on specific areas; such reviews will incorporate a review of all resources – labour, materials, support, buildings and information systems. Following on and in consultation with management and employees, the SPC will recommend indicators to monitor and improve areas of Council expenditure to ensure quality of service and value for money outcomes. Additionally, in consultation with management and employees, the Finance SPC will oversee the implementation of quality of service and value for money reforms in all areas of council service provision. Internal Audit Unit will, from time to time, table VFM Reports that it conducts. The SPC will receive presentations of reports on high level efficiency reviews in either Dublin City Council or Dublin local authorities in general.

**4. Promoting social and economic prosperity and equality.**

The Finance SPC in consultation with management and employees will develop criteria for ensuring that changes to the level and direction of Council resources, arising from the current economic climate, are made in a manner consistent with the objectives of promoting social and economic prosperity and equality in equal measure. The Committee will monitor the impact of any changes to the level and direction of Council resources to ensure that they do not negatively impact on the social and economic wellbeing of the city and all its citizens.

**5. Sustainable local government funding.**

The Finance SPC will exploit any opportunities identified to advocate for the legislative changes needed for Dublin City Council to secure enduring stable revenue streams. The Finance SPC will monitor the operations of funding sources from the DHPLG, LPT, Commercial Rates and other charges to ensure that any significant trends arising are addressed.

## **6. Corporate Governance.**

The Finance SPC has a role in assessing the adequacy of corporate governance arrangements through linkages with the Audit Committee, reviewing risk management structures and the work of the External Auditor and examining companies which Dublin City Council own or in which have a shareholding

## **7. Community Development.**

The Finance SPC will consider the development of community initiatives under the framework of Sections 109 and 110 of the Local Government Act 2001. The purpose of such initiatives to be the development of community assets, the use of local resources (labour, trade etc.) where possible.

### ***Meetings***

The Finance SPC will meet every two months or at least four times per year. The quorum necessary for the transaction of business shall be six members, at least four of whom must be elected members. A schedule of meetings will be agreed at the start of each year.

Meeting documentation (agenda, minutes and reports) will, where possible, be circulated to Committee Members no later than one week in advance.

### ***Committee Membership***

The Finance SPC will consist of eighteen members, twelve of whom will be Elected Members of the City Council and six will be external members. Appointments to the Committee, where possible, shall be for the duration of the elected council.

### ***Working Procedures***

The Committee will adopt Dublin City Council's Standing Orders as its working procedure. The Committee will adopt a multi-annual work programme linked to the Council's Corporate Plan, which will be updated as necessary.

A copy of the breviat of the business of each meeting will be included on the agenda of the next meeting of the City Council.

### ***Induction Training***

New members will receive all relevant information training and briefings on their appointment to enable them to meet their Committee responsibilities.

**Clr Seamus MacGrattan**

**Chairperson**

**Finance & Emergency Services Strategic Policy Committee**

**October 2019**