

To: The Mayor and Each Member of Limerick City and County Council

Re: Tourism Sector Support Scheme 2015

In 2013, visitor numbers to Limerick were 420,000 and revenue of €135m was achieved. After experiencing difficult financial times and uncertainty, the last few years have seen continued growth in the region along with the designation of Limerick as National City of Culture in 2014.

The Tourism Sector Support Scheme 2015 is being set up to further stimulate the Tourism sector here in Limerick. The fund, the first of its kind in the Limerick area, is to be given as a financial support to tourist related occupiers of commercial properties with a total annual commercial rate demand in 2015 greater than €10,000

The property types that qualify for the scheme include Hotels, Licensed Houses / Shops, Restaurants / Cafes / Stores and Hostels. In total 92 businesses are eligible for the scheme. The financial support payable per successful applicant is 4.5% of the total amount due, subject to terms and conditions.

Section 66 of the Local Government Act 2001, as amended by section 43 of the Local Government Reform Act 2014, states that for the purposes of this section a measure, activity or thing is deemed to promote the interests of the local community if it promotes, directly or indirectly the general development including enterprise and economic development.

The approval of the Council is hereby sought to the adoption of the Tourism Sector Support Scheme 2015 (copy attached) in accordance with Section 66 of the Local Government Act, 2001 (as amended).



Tom Gilligan

Head of Finance

9<sup>th</sup> July 2015

## Tourism Sector Support Scheme 2015

Tourism plays a vital role and is a main contributor to Limerick's economic development. The vast majority (98.8%) of Tourism Industries are SME's. These SME's account for 82% of employment in the Tourism Industries. (Delaney\_MacFeely2014) The recent decision to retain the 9 % VAT rate for the hospitality sector, from 13.5 %, has met with universal approval from the tourism industry and various stakeholders. Limerick is now in a unique position, following the merger and last year's successful Limerick National City of Culture to further promote and drive tourism within the region. Limerick City and County Council recognises the immense contribution that the tourism sector is generating for the region and is anxious to help further the creation and sustaining of jobs within the industry.

Limerick City & County Council's proposed Tourism Sector Support Scheme is a financial support to occupiers of commercial properties, directly linked to the Tourism Sector. In order to qualify, the total annual Commercial Rates liability must be in excess of €10,000 (Business's with a Rate Demand less than €10,000 already qualify for the SME Scheme 2015) and is subject to a number of strict terms and conditions. The support payment, aimed specifically at the Tourism Sector, will be set at 4.5% of the total Rates, including arrears for 2015. The support payment of 4.5 % is similar to the VAT reduction scheme previously mentioned with a report from The Restaurants Association of Ireland indicating more than 21,600 direct jobs having been created in the food and accommodation sector since VAT was reduced.

The following businesses, as defined by the Valuation Office, will only be considered for the scheme:

<i>Property type(T)</i>	<i>Property Type</i>	<i>No. of Units</i>	<i>Balances as at 01/01/2015</i>	<i>2015 Commercial Rates</i>	<i>Total Due</i>
<i>HOSTEL</i>	<i>08D</i>	<i>3</i>	<i>192,013</i>	<i>55,430</i>	<i>247,443</i>
<i>HOTEL</i>	<i>08G</i>	<i>21</i>	<i>1,592,595</i>	<i>1,122,891</i>	<i>2,715,486</i>
<i>LICENSED HOUSE</i>	<i>08A</i>	<i>29</i>	<i>776,854</i>	<i>671,643</i>	<i>1,448,497</i>
<i>LICENSED SHOP</i>	<i>03E</i>	<i>13</i>	<i>162,490</i>	<i>230,492</i>	<i>392,982</i>
<i>LICENSED STORE</i>	<i>08H</i>	<i>1</i>	<i>-</i>	<i>23,329</i>	<i>23,329</i>
<i>NIGHT CLUB</i>	<i>05B</i>	<i>1</i>	<i>122,047</i>	<i>84,350</i>	<i>206,397</i>
<i>RESTAURANT/CAFE</i>	<i>03J</i>	<i>23</i>	<i>430,836</i>	<i>426,112</i>	<i>856,948</i>
<i>CASTLE</i>	<i>01D</i>	<i>1</i>	<i>-</i>	<i>31,860.00</i>	<i>31,860.00</i>
	<i>Grand Total</i>	<i>92</i>	<i>3,276,834</i>	<i>2,646,108</i>	<i>5,922,942</i>

### TERMS AND CONDITIONS OF THE SCHEME

Applicants must be the occupiers of a commercially rated property in Limerick City or County, which meets the following criteria;

1. Total annual commercial rates invoice(s) must be greater than €10,000 in 2015.
2. Applications are to be made by the rated occupier only-Applications by owner on behalf of a tenant are not permitted
3. The Commercial Rates (**including arrears**) relating to the relevant account **must be paid in full** by 30th November 2015 - this date is final and applies if using any payment method other than Direct Debit.
4. Applicants paying by Direct Debit qualify under the scheme provided the commercial rate account is paid in full by 31st December 2015 unless otherwise agreed.
5. One payment per customer- payments cannot be made if account is not paid in full- deducting the value of the grant from the rates liability due is not permitted- the support payment will be made separately after the rates are paid.
6. The support payment can only be made where the annual rates charge **and arrears** are due, and paid in full, by the rated occupier. Accounts where a change of Owner/Tenant or the sale of a property has taken

place may not qualify for payment under the Scheme- see point 1 above- All such changes must be notified to Limerick City & County Council using Section 32 Declaration- see [www.limerick.ie/council](http://www.limerick.ie/council) for application form.

7. **DEADLINE: All applications, regardless of payment method being used, must be completed and returned by 30<sup>th</sup> September 2015- no applications will be accepted after this deadline date**
8. **RETURN ADDRESS: Tourism Sector Support Scheme, Limerick City and County Council, Rates Department, Dooradoyle, Co. Limerick. – Application Form on reverse.**

#### EXCEPTIONS

- Vacant Property- Owners of Vacant Property can apply separately for Vacant Property Grant Allowance Scheme 2015- see [www.limerick.ie/council](http://www.limerick.ie/council) for application form.

#### PAYMENT DEADLINE

Applications for qualifying accounts must have the commercial rates and any arrears paid in full by 31st November 2015 - this date applies if paying by any method other than Direct Debit. Accounts paying by Direct Debit must be paid in full by close of business 31st December 2015 unless otherwise agreed.

#### PROCESSING OF SUPPORT APPLICATION

It is proposed to process support payments twice yearly based on the passing of the payment method deadline. Successful applicants will be paid via electronic funds transfer and will be notified via email about the payment – If not an existing Supplier of Limerick City & County Council Bank Account Details are to be supplied with the application form (reverse side). Incomplete applications will be returned.

*Combined Total of properties within the Tourism Sector covered by both schemes:*

<i>Property type(T)</i>	<i>Property Type</i>	<i>No. of Units</i>	<i>Balances as at 01/01/2015</i>	<i>2015 Commercial Rates</i>	<i>Total Due</i>
CASTLE	01D	1	-	31,860.00	31,860.00
GUESTHOUSE	01K	1	24,670	1,446	26,116
LICENSED SHOP	03E	83	586,079	531,197	1,117,276
RESTAURANT/CAFE	03J	208	1,233,977	2,445,870	3,679,847
NIGHT CLUB	05B	1	122,047	84,350	206,397
THEATRE	05D	1	-	2,323	2,323
ART GALLERY	05E	3	7,988	19,548	27,536
MUSEUM	05F	1	-	1,595.00	1,595.00
CARAVAN PARK	05I	2	-	3,817	3,817
LICENSED HOUSE	08A	334	1,856,788	1,842,272	3,699,060
HOSTEL	08D	3	192,013	55,430	247,443
LICENSED RESTAURANT	08E	1	-	3,090	3,090
HOTEL	08G	29	1,763,079	1,193,427	2,956,506
LICENSED STORE	08H	1	-	23,329	23,329
<i>Total</i>	-	669	5,786,641	6,239,554	12,026,195