



Comhairle Cathrach
& Contae **Luimnigh**
Limerick City
& County Council

Commercial Rates



March 2018

Format of Presentation

- 2017 Commercial Rate Update and Key Performance Indicators

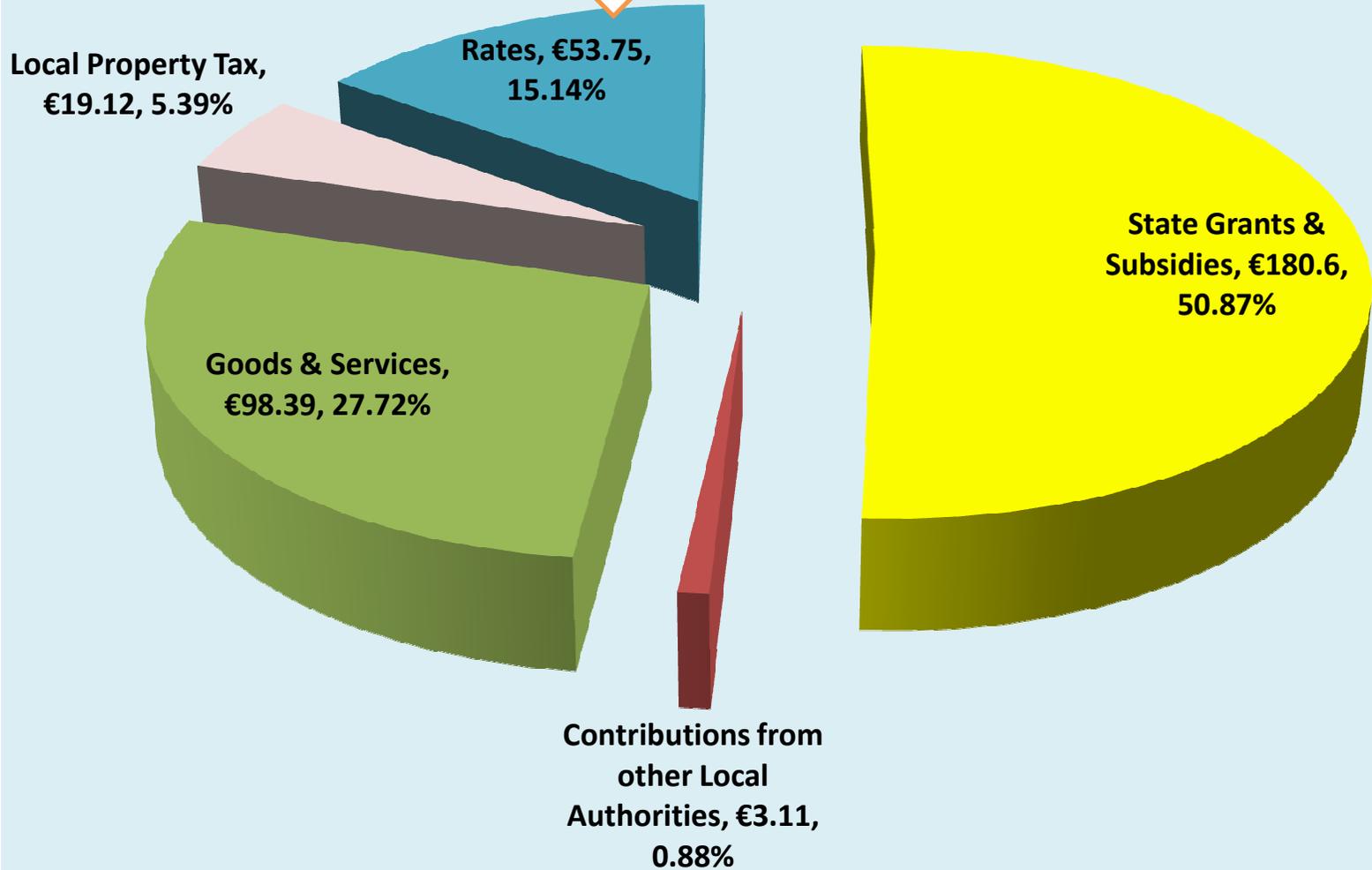
- Analysis of arrears @ 31st December 2017

- Commercial Rates 2018:
 - Schedule
 - Legal Action
 - Schemes



Sources of Income 2017

Excluding HAP Income – Commercial Rates accounts for almost 34% of Limerick City and County Council’s income

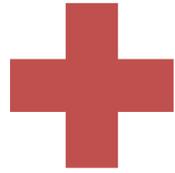




2017 Commercial Rates

**Opening
Arrears 1st Jan
2017**

**=
€18.79 million**



**Rates Income
2017**

**=
€53.75 million**



**Total for
Collection**

**=
€72.54 million**

**Closing Arrears
@ 31st Dec 2017**

**=
€14.50 million**



**Vacancy / Write
offs**

**=
€5.69 million**



Receipts 2017

**=
€52.35 million**



Key Performance Indicators

Commercial Rates Collection= 82%
(equates to an increase of 5% year on year)

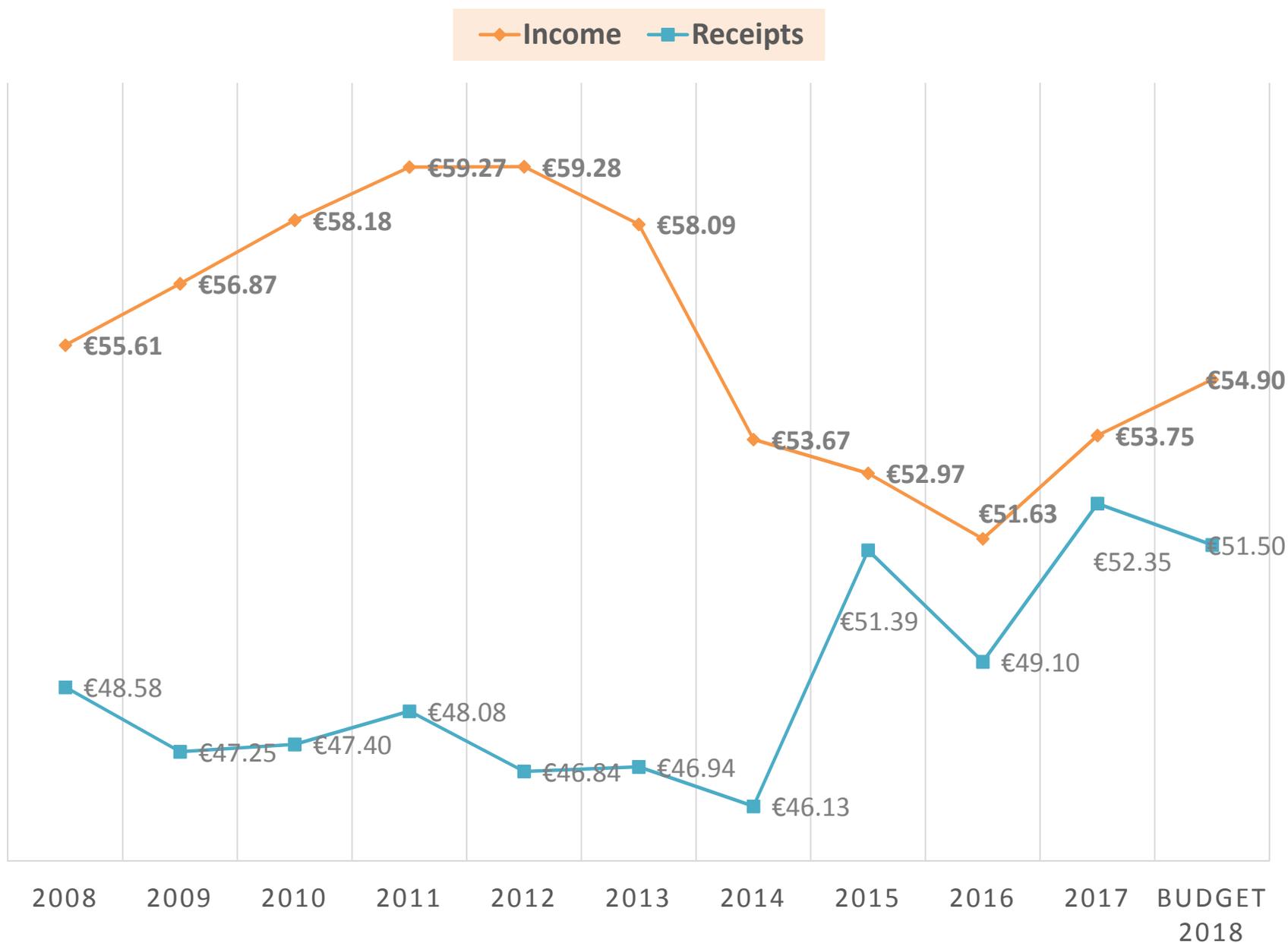
Reduction in arrears year on year = €4.29 million
(equates to a drop of 23% year on year)

Increase in receipts collected year on year = €3.25 million
(equates to a 6.6% increase in rates collected)

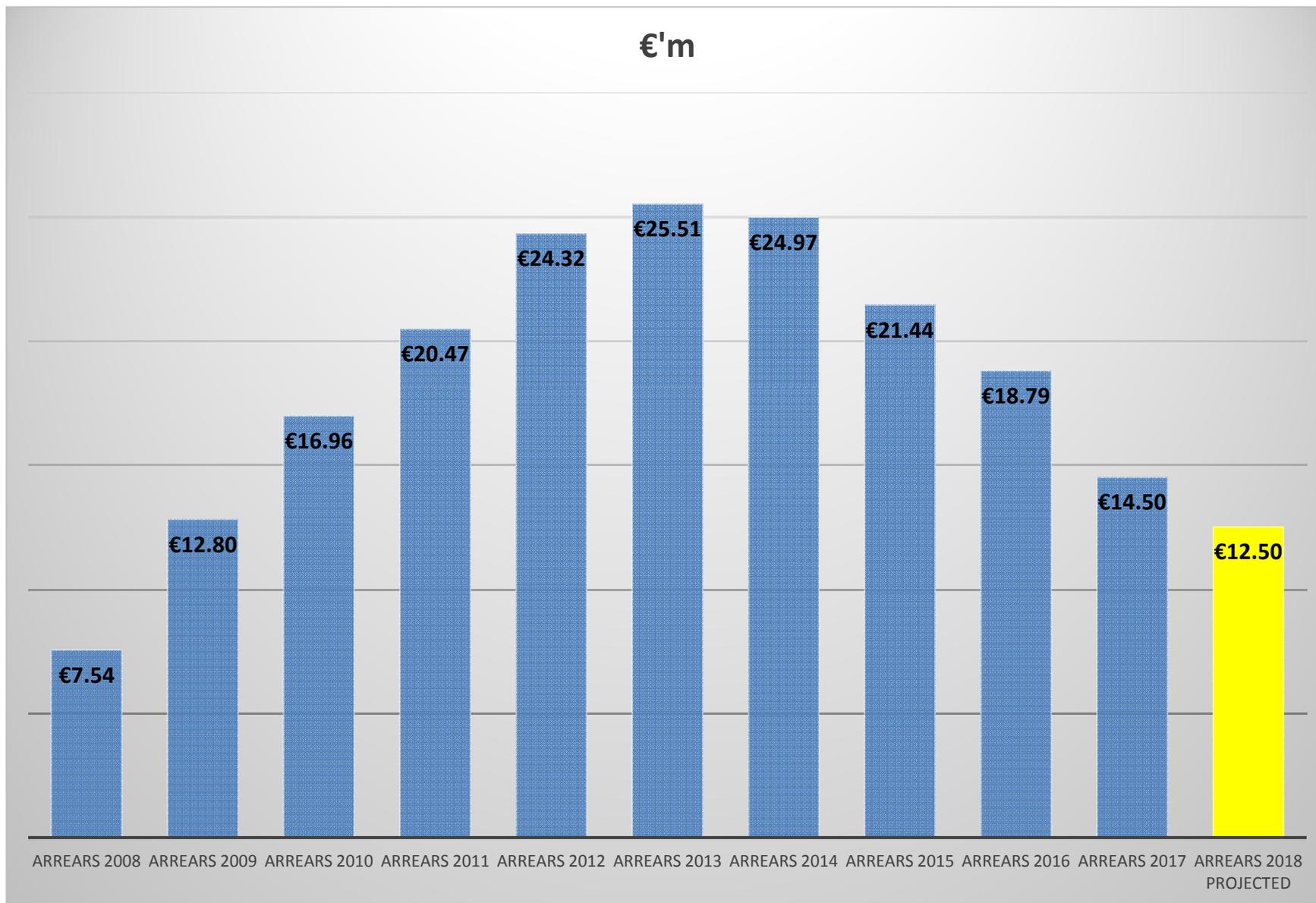
Increase in Level of vacancy / write offs year on year = €1.58 million

Increase in Commercial Rates income year on year = €2.78 million
(equates to a 5.4% increase)

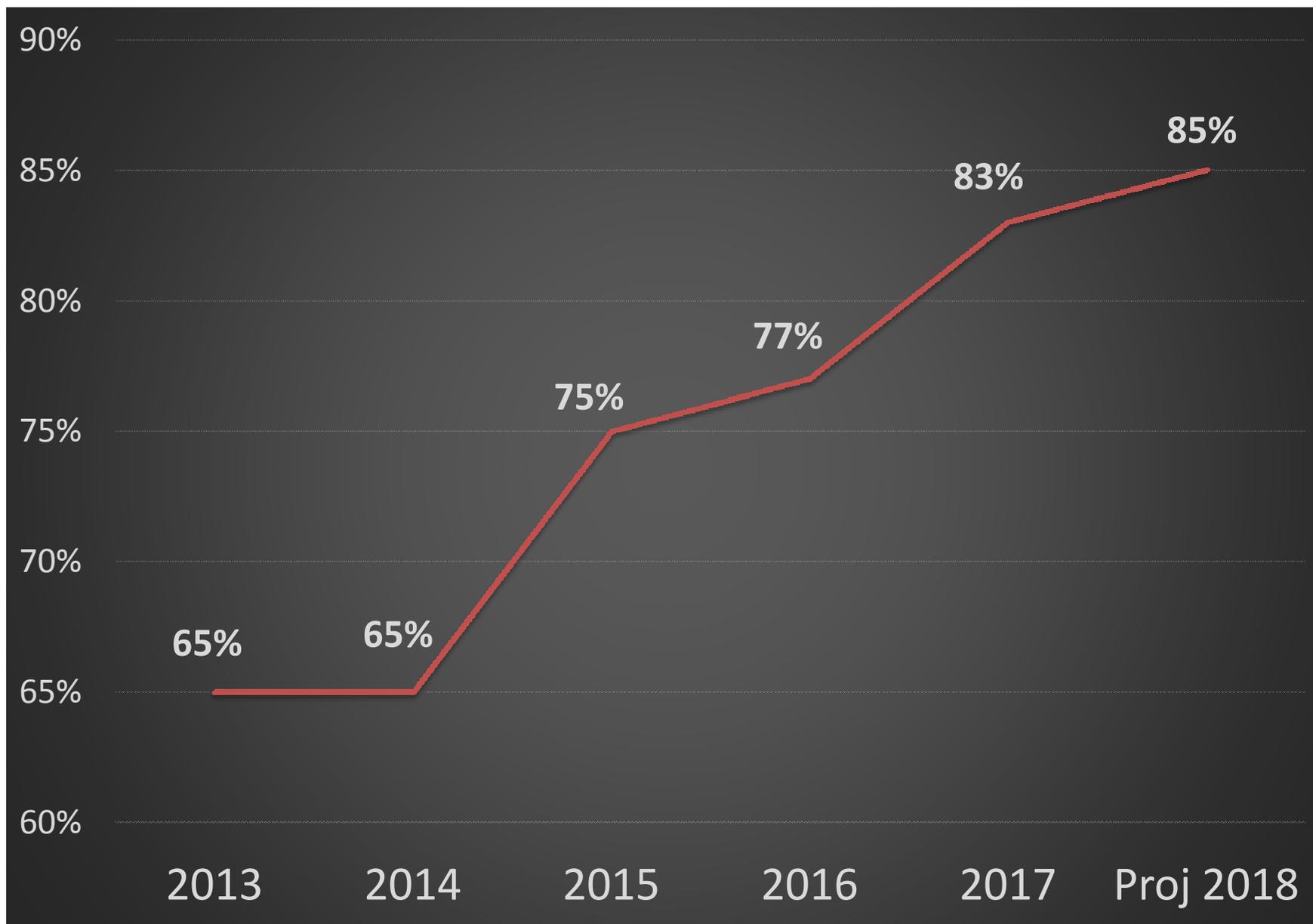
COMMERCIAL RATES INCOME & RECEIPTS - €'M



Analysis of Commercial Rates Arrears 2008 – 2018



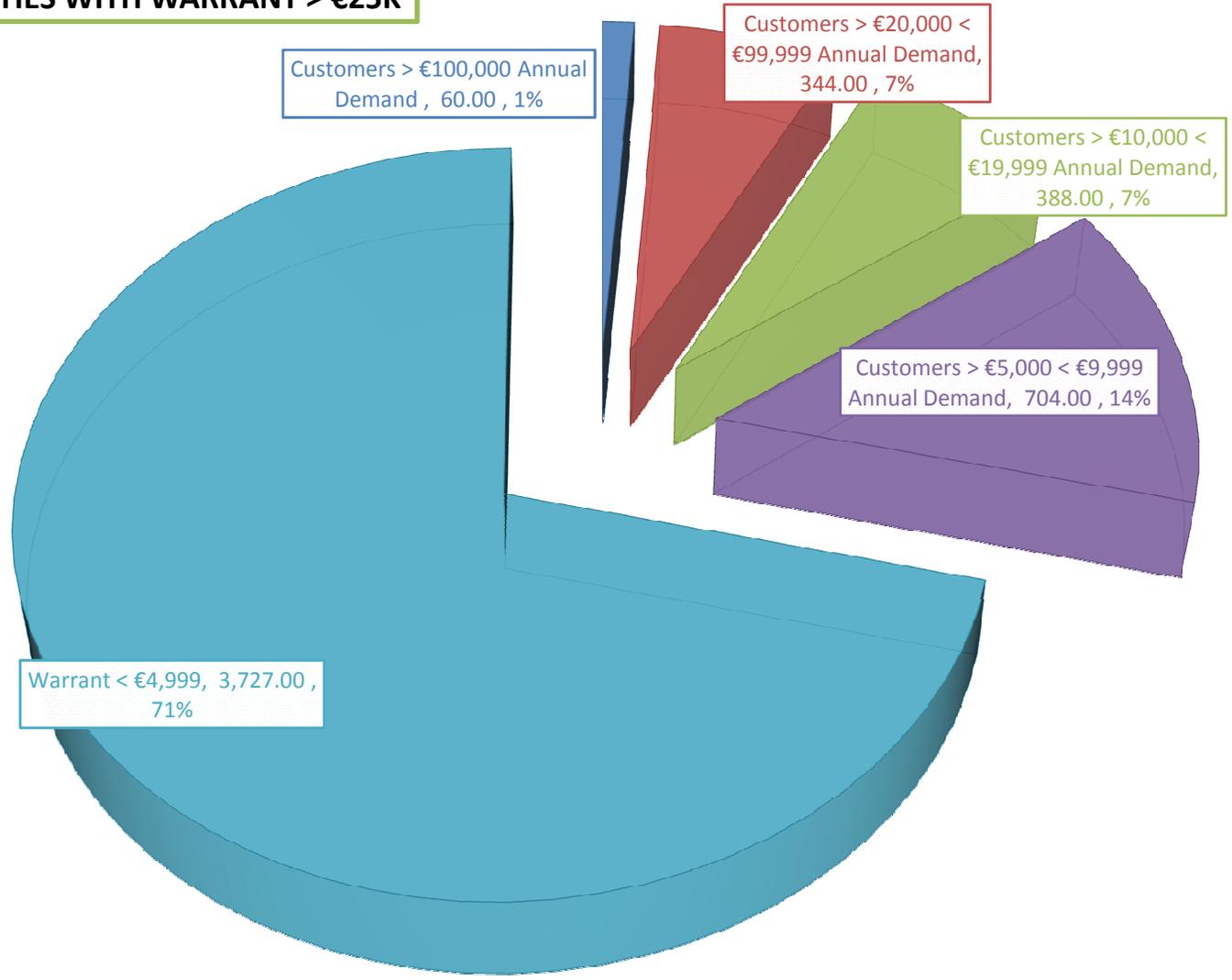
Analysis of Commercial Rates Collection %





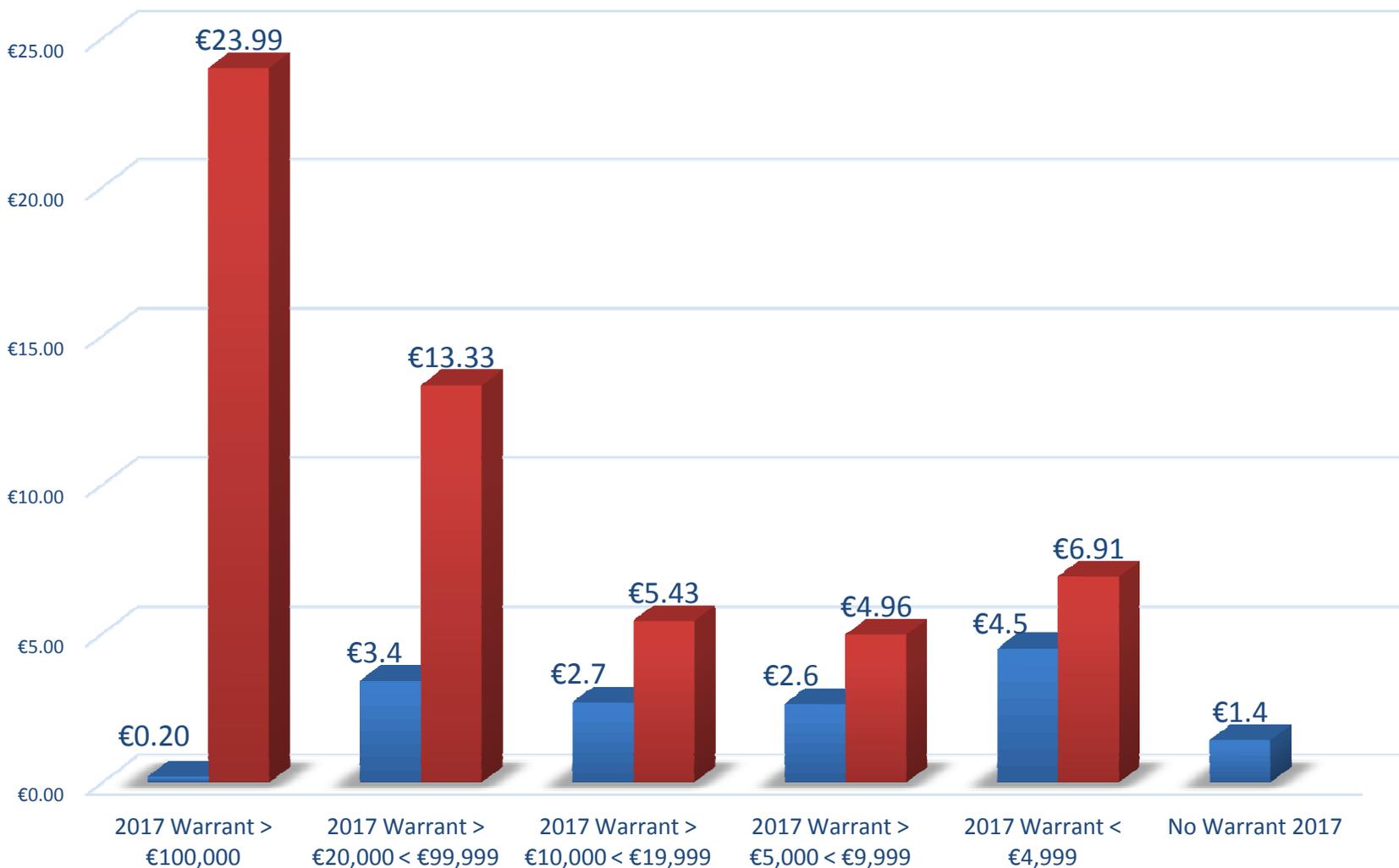
Spilt by % number of customers within each band

94% OF PROPERTIES WITH WARRANT < €25K
6% OF PROPERTIES WITH WARRANT > €25K



Analysis of 2017 Warrant and Arrears

■ Value of Arrears > €50 ■ Value of Warrant

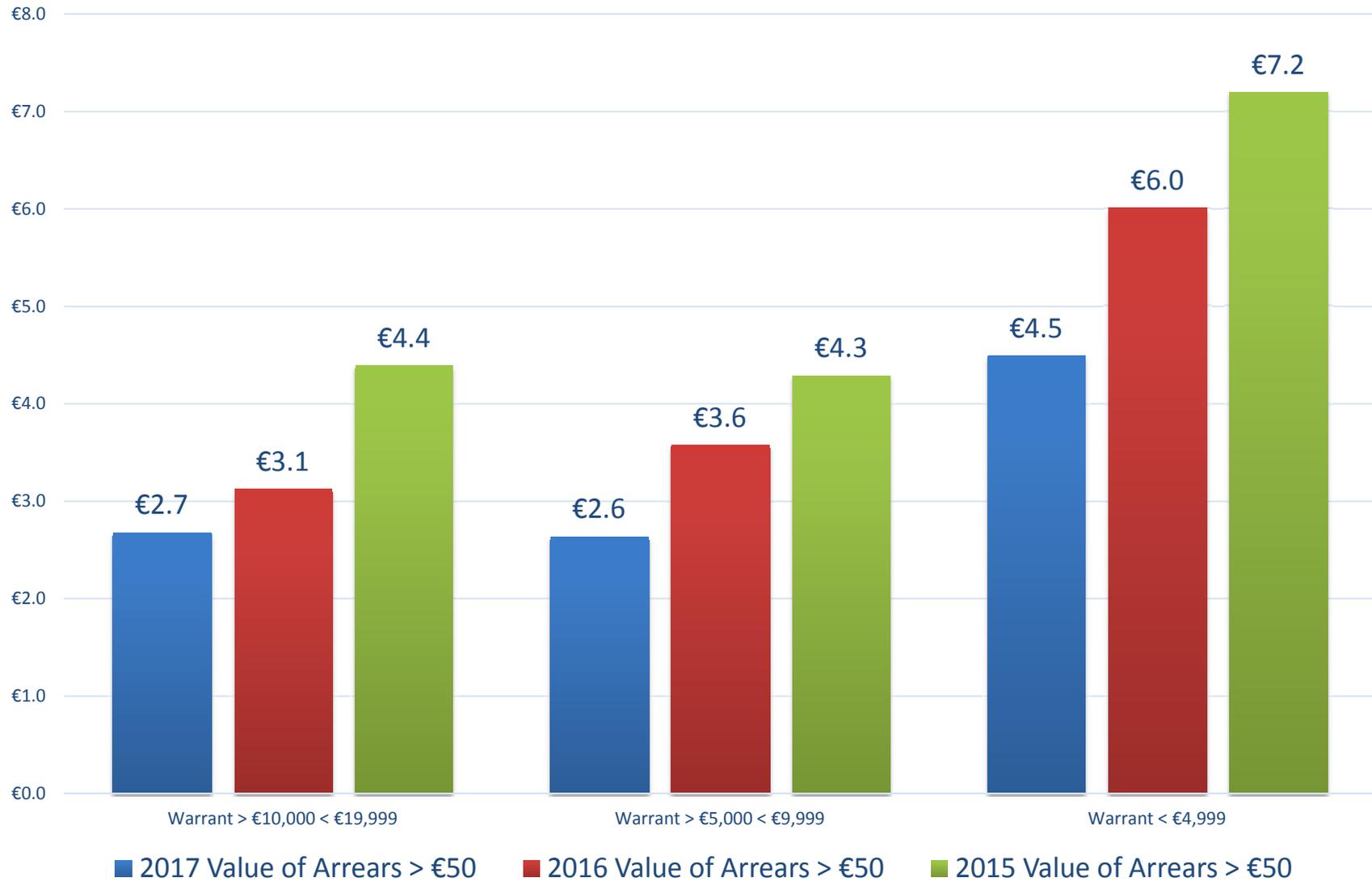




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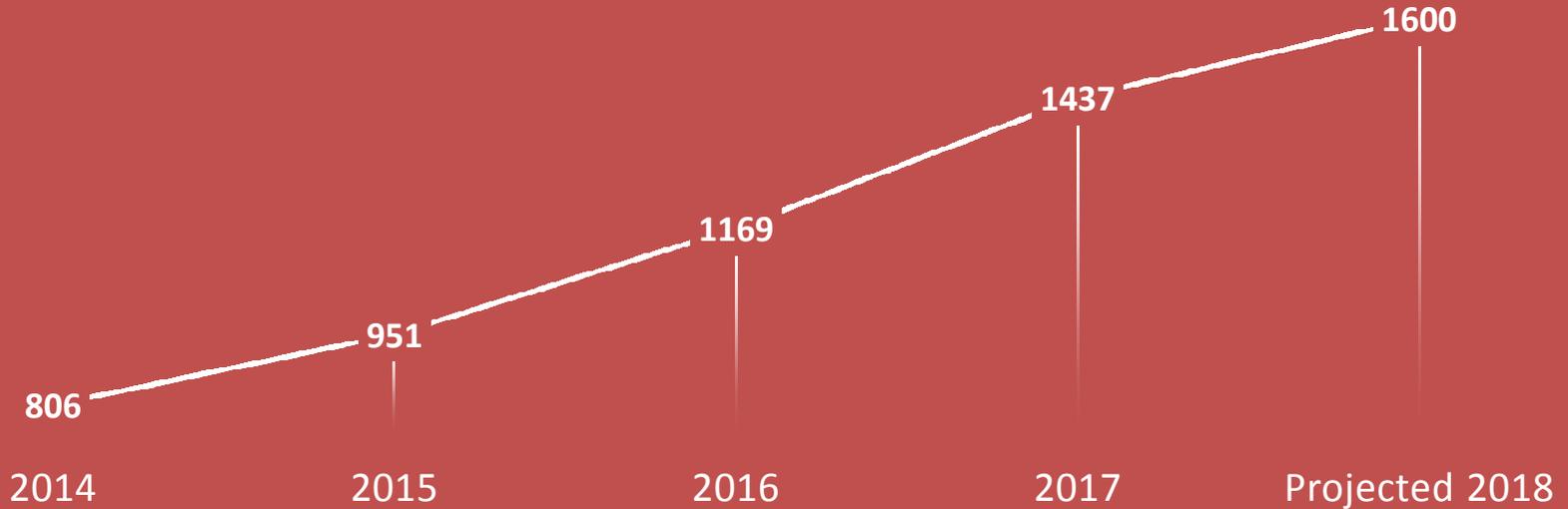
Analysis of Commercial Rates in SME Category -yoy





Analysis of Direct Debits

ANALYSIS OF NUMBER OF RATEPAYERS ON DIRECT DEBIT



ANALYSIS OF VALUE OF RATEPAYERS ON DIRECT DEBIT





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Budget 2018

Proposed Schemes

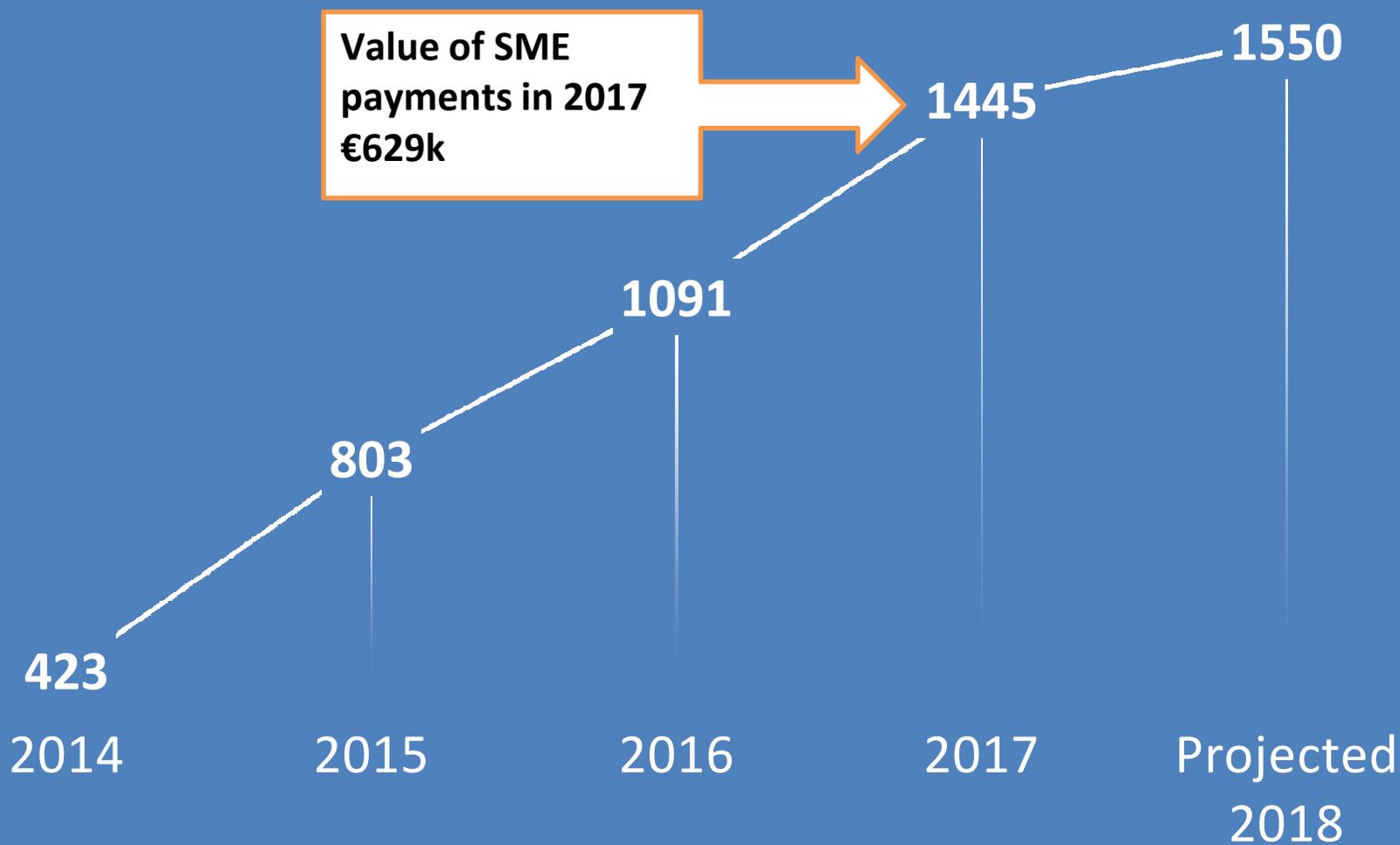
The support payment of 9% of 2018 rates subject to a maximum payment of €1,000, aimed specifically at small and medium-sized businesses (Qualifying Annual Rate Warrant €0 to €25,000)

Example 1	Budget 2017	Draft Budget 2018
Rate Warrant	€10,500	€10,683
Support Scheme	(€945)	(€961)
Net Cost	€9,555	€9,722

Example 2	Budget 2017	Draft Budget 2018
Rate Warrant	€450	€457
Support Scheme	(€0)	(€41)
Net Cost	€450	€416

Example 3	Budget 2017	Draft Budget 2018
Rate Warrant	€24,000	€24,420
Support Scheme	(€0)	(€1,000)
Net Cost	€24,000	€23,420

SME SCHEME - NUMBER OF SUPPORT PAYMENTS



Proposed Tourism Sector Support Scheme 2018

- In order to qualify, the total annual Commercial Rates liability must be in excess of €25,000
- The support grant payment which is aimed specifically at the Tourism Sector will be set at **4% of the total Rates**, including arrears.
- 2017 payments on this scheme = €38k (16 Customers)

Proposed Vacant Property Allowance Scheme 2018

Scheme

- **Up to €2,803 Annual Rate Demand-**
 - 100% write off of annual rate demand amount on that property
- **€2,804 to €11,164 Annual Rate Demand**
 - 50% write off of annual rate demand amount on that property
 - Payment of 50% required
- **€11,165 to €55,961 Annual Rate Demand**
 - 25% write off of annual rate demand amount on that property
 - Payment of 75% required
- **Over €55,962 Annual Rate Demand**
 - 10% write off of annual rate demand amount on that property
 - Payment of 90% required

Timetable for 2018

Week Starting:	Issue:
w/c 29 th January	Specific targeting for DD
w/c 6 th February	Rate Demands (only)
20 th February	SME, Tourism
20 th March	Reminder 1
29 th May	Reminder 2
July onwards	6 Days (for 'problem' accounts)
28 th August	Reminder 3 (for 'other' accounts)
Statements issued throughout the year	
Issue 6 Days, Court Summons, Civil Summons throughout the year as required	

2018 Debt Management Actions

- Continuous engagement with Customers continues to be a priority
 - Encourage completion of Vacancy forms
 - Promote SME and other schemes
 - Agree payment plans
 - Promote Direct Debit / Standing Order
- Communication from Members to ratepayers
 - Promotion of incentive schemes
 - Tourism Scheme
 - SME Scheme
 - Vacancy Scheme
 - Interaction with Limerick Chamber

**KEEP DOING WHAT WE
ARE DOING**

2018 Debt Management Actions

- Customers who do not engage:
 - Use of external collection agency
- Increase in number of legal referrals
 - Debt Reminder Letters
 - 6 Day Notice
 - Civil Summons / Registration of charge on property
 - Winding up orders in exceptional circumstances





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