

Lead topic: Local Government Fund	Sub-topic: Local Government Fund	Contact: Ben Sweeney Ext: 5589
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FAST FACTS

- **The LG Fund was established by the Local Government Act 1998 and payments in and out of Fund are governed by the 1998 Act, as amended**
- **Traditionally, the payments from the LG Fund have financed local authority expenditure on local services such as roads, water services and miscellaneous schemes through a General Purpose Payment made by DECLG to local authorities. Allocation of Local Property Tax to individual local authorities has replaced the General Purpose Payment for 2015.**
- **The main receipts in the Fund are Motor Tax €1.167b in 2015 and Local Property Tax (LPT) €440m in 2015. Prior to advent of LPT in 2014, Household Charge receipts went into the Fund.**
- **The allocations to the Local Government Fund have not been settled yet for 2016. They will be settled in the Revised Estimates process.**
- **An inter-departmental group comprising the Departments of Public Expenditure and Reform; Finance; Environment, Community and Local Government; and Transport, Tourism and Sport; are currently examining options to simplify the Local Government Fund in order to improve transparency.**
- **The aim of the group is to simplify the LGF in advance of the Oireachtas vote on the Revised Estimates for 2016.**

Q&A'S

- **What Ministers are responsible for the Fund?**
 - The Minister for the Environment, Community and Local Government is responsible for managing and controlling the Fund and the Minister the Environment, Community and Local Government is responsible for voted payments into the fund with the consent of the Minister for Public Expenditure and Reform.
 - The Minister for Finance is responsible for setting the rates of Motor Tax, receipts from which go into the Fund, and for non-voted Exchequer payments to the Fund. The Minister for Finance can request a payment from the Minister for the Environment, Community and Local Government.
- **Why is the LGF being reformed?**
 - Complicated funding flows in the LGF were identified as an issue by the Interdepartmental Group, which examined reforms to Local Government Funding in late 2014.
 - Thus, a newly formed IDG is examining options to simplify the operation of the LGF in order to increase transparency.

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Environment, Community and Local Government

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Estimate of Income and Expenditure of the Local Government Fund

	2014 Estimate			2015 Estimate			Change 2015 over 2014	Description
	Current	Capital	Total	Current	Capital	Total		
	€000	€000	€000	€000	€000	€000	%	
Income:								
Local Property Tax	476,000	-	476,000	440,000	-	440,000	-8%	
Gross Motor Tax Receipts	1,150,000	-	1,150,000	1,167,000	-	1,167,000	1%	
Interest from LGF monies invested with NTMA	367	-	367	-	-	-		
Payment from the Exchequer	-	-	-	233,100	-	233,100	100%	€141m self-funding LAs circular grants €92m IW subvention
Total Income :-	1,626,367	-	1,626,367	1,840,100	-	1,840,100	13%	
Expenditure:								
Local Property Tax Allocation	-	-	-	381,769	77,100	458,869		LPT with €18.9m top-up for equa
General Purpose payments	282,000	-	282,000	-	-	-		
Road and Public Service Infrastructure Payments (a)	359,943	-	359,943	363,943	-	363,943	1%	Non-national roads & Public tran Infrastructure channelled through €246m MT receipts reflecting ch reduce deficit & changes due to l
Payment to Exchequer	520,000	-	520,000	484,000	-	484,000	-7%	Working Cap IW loan & €141 se
Other Miscellaneous Schemes	93,878	-	93,878	75,000	-	75,000	-20%	Includes 12.5m to DTTAS to acn group water schemes & €28m fo loans & other water costs to LAs
Irish Water Subvention	439,122	-	439,122	399,000	-	399,000	-9%	IW subvention
Local Authority Rates payments	-	-	-	59,000	-	59,000	100%	In lieu of rates formerly arising fr waste services now exempt from rates.
Total Expenditure :-	1,694,943	-	1,694,943	1,762,712	77,100	1,839,812	9%	
Excess of Income over Expenditure	(68,576)	-	(68,576)	77,388	(77,100)	288	-	
Balance of Fund at 31 December 2013	94,335	-	94,335	-	-	-	-	
Balance of Fund at 31 December 2014 (projected)	25,759	-	25,759	-	-	-	-	
Balance of Fund at 31 December 2015 (projected)	-	-	-	26,047	-	26,047	-	
<i>(a) Responsibility for Regional and Local Roads was transferred to Vote 31 (Department of Transport, Tourism and Sport) with effect from 1 January 2008. From 2011 that Department may use funding from the Local Government Fund towards expenditure on all roads and public transport infrastructure.</i>								