

10<sup>th</sup> April 2018

**To: The Cathaoirleach and Members of Carlow County Council.**

**Re: Report on the Collection of Commercial Rates Year Ended 31/12/2017.  
Article 26 (2) of the Local Government (Financial & Audit Procedures) Regulations 2014**

Dear Member,

Pursuant to the aforementioned Regulations the following is a summary of the outturn on the Rate Collection Account for the year ended 31/12/2017:-

	2017	2016
OPENING ARREARS	1,806,235	2,655,931
NET WARRANT	10,731,872	10,268,083
COLLECTED	10,930,804	11,117,779
NET CLOSING ARREARS	1,607,303	1,806,235
SPECIFIC DOUBTFUL DEBTS	326,792	340,881
<b>% COLLECTED</b>	<b>90%</b>	<b>88%</b>

The table above shows a **90%** collection performance in 2017 with a decrease of **€198,932** in arrears. Due to the economic circumstances of local business post 2008 arrears increased for a number of years and the Council adopted a policy of working with local businesses through difficult times in order to maintain local employment. **I am please to advise Council that the 2017 collection performance is 17% higher than that achieved during the height of economic difficulties and is a signal of an improving local economy.**

Commercial rates income is critical to the provision of services and to the financial stability of the Council, it accounted for circa **29%** of the Council's Revenue Budget in 2017. The Council is required to pay its suppliers within 15 days but in instances commercial rates are not paid promptly. The 1<sup>st</sup> moiety (*plus arrears if any*) is payable when the rate demand issue, the 2<sup>nd</sup> moiety is payable on July 1<sup>st</sup> each year.

The closing arrears in 2017 (*excluding credits*) were **€1.86m**. The Council endeavours to work constructively with its debtors to ensure collection of all outstanding monies as quickly as possible. The Council offers a number of payment options including entering into arrangements with its customers to discharge their accounts on an instalment basis or set off against monies due by the Council. In 2017 **47%** of rate customers availed of an early payment incentive scheme which was first introduced at the request of the members in 2013. Annual collection targets are now set nationally for each Local Authority. In 2017 the collection target set for Carlow County Council was 88.85%.

The table below illustrates that of the €1.86m arrears outstanding at 31/12/2017 39% has either been paid since the year end or agreements are in place/pending. The remaining arrears are subject to due process. The Council will initiate appropriate legal action to recover amounts due where customers will not actively engage with the Council to discharge their liabilities.

**Profile of arrears at 31/12/2017**

DETAILS	VALUE €
PAID SINCE 31/12/2017 OR AGREEMENTS IN PLACE/NEGOTIATIONS ONGOING	723,184
LIQUIDATIONS/RECEIVERSHIPS/ADMINISTRATIONS	355,729
LEGAL PROCEEDINGS SUMMONS ISSUED/JUDGEMENT OBTAINED	419,448
WITH SHERIFF FOR COLLECTION	66,868
INSTALMENT ORDERS	252,846
EXAMINATION PROCEEDINGS/COMMITTALS	42,834
JUDGEMENT MORTGAGES PENDING	2,341
<b>TOTAL</b>	<b>1,863,250</b>

The Council thanks all rate payers who paid their accounts in 2017. The €10.9m collected has been reinvested in the provision of services for the citizens & commercial sector in the County.

  
Head of Finance