

Minutes of the National Oversight & Audit Commission (NOAC) meeting

Friday 17th April 2015

Venue: Offices of the LGMA, Local Government House, 35-39 Usher's Quay, Dublin 8

Attended by:

Chairman Pat McLoughlin
Members Kevin Baneham
John Buckley
Tara Buckley
Garrett Fennell
Connie Hanniffy
Paul Lemass
Padraig McNally
Martina Moloney
Colleen Savage
Henry Upton

Secretariat Maurice Coughlan
Sheila McMahan

Apologies Micheál Nolan

Guest Patrick Conroy, Valuation Manager, Valuation Office

Minutes of meeting of 03/03/2015

The minutes of the meeting of 3rd March 2015 were agreed without amendment.

NOAC Annual Report 2014

A number of amendments were requested to the layout and to the material included from the Statement of Strategic Intent and on the future direction of the thematic reviews (initial focus on the Housing area). When these are made, the Chairman will sign the report – there being no need for further reference to the members. There was considerable discussion of the need to have a process before definitively selecting areas for thematic examination. It was suggested that in future multiple scoping papers should be prepared from which studies would be chosen and that the principles for selection should incorporate value for money, management interests and consumer interest aspects. The performance indicator report, when available, may also point to areas for review.

Presentation by Patrick Conroy, Valuation Office

Valuation is an independent process that is specified in detail in the Valuation Act 2001, which is the consolidating legislation. Amending legislation has just passed the Oireachtas that will allow the use of valuers that are not Valuation Office staff for the first time. Use of private sector valuers will be piloted in Carlow/Kilkenny and a system of self-assessment

under detailed guidance from the Valuation Office will be piloted in Galway city. Schedule 3 of the Act specifies what property is rateable, which is all commercial built items ranging from a bus stop to a toll bridge, and Schedule 4 provides for exemptions. Exemptions include farm buildings (arising from a constitutional case), commercial properties of registered charities, public hospitals, properties used for sporting purposes, museums that are non-commercial. Properties transferred to Irish Water will also be exempt, unlike other utility companies. Each local authority has a valuation list consisting of the name, address and rateable valuation of each commercial property in its area. The authority decides the annual rate of valuation (ARV) by dividing its required rates income by the total of the rateable valuations on the list. It is the responsibility of the authorities to initiate revisions of valuations in their area. This applies only where there is a physical change to an existing property, a new commercial property comes into existence or a property ceases to be used commercially. A revaluation process is underway at present and scheduled for completion in 2018 with about a third of properties now re-valued representing about half of the values. This involves re-valuing all the rateable properties in an area at a specific valuation date and the values will apply for a minimum of 5 and a maximum of 10 years. The exercise is required to be revenue neutral, merely a redistribution of rates liability, restoring relativity at a point in time and an inflation cap applies to the rate that is struck for the following year.

In response to questions from the members, Patrick Conroy confirmed that the rateable value is always based on the value of the property and not the profitability of the occupying business. Ability to pay is not relevant. Rateable values are only affected by boom and bust cycles depending on when a revaluation occurs and that will be reflected in the ARV side of the equation. Third party requests for revisions are given top priority but it is up to the local authority to specify the priority it wants given to its revision requests. A time limit of 6 months will apply under the new legislation. The Valuation Office has regular contact with its equivalents in Northern Ireland and the UK and the rates burden on businesses in Ireland is not disproportionate to that in other countries that have similar systems. The Chairman thanked Mr Conroy for his informative presentation.

The members then discussed the inequities within the system, what mechanisms are available for reviewing the system and what information is available on local authority performance in seeking valuation revisions and on whether there is a relationship between the amount of the ARV and the level of arrears. It was decided that the secretariat should prepare a paper for the next meeting on what aspects of the valuation process NOAC could query or comment on, while acting within its statutory remit.

Corporate Plans update

The secretariat circulated a list of the 11 Plans received to date and the position, based on material contained on the local authority websites, regarding a sample 10 of the

outstanding Plans. The meeting agreed that the Chairman would issue letters tailored to the position in each of the outstanding 20 local authorities and requesting details of the work done to date.

Customer Survey update

Colleen summarised the last meeting of the sub-group and said she would provide a 4/5 page summary presentation of the customer awareness survey data at the next NOAC meeting. As it has been established that local authorities have done very little by way of customer satisfaction surveys, NOAC will have to undertake this work itself and the group considered that the LEOs should be looked at next. This type of survey will be much more expensive than an omnibus survey and could use up a considerable portion of NOAC's budget for the year. A lengthy discussion followed as to whether customer surveys should be confined to matters that are the subject of thematic reviews and the value of conducting a customer survey of the LEOs at this stage of their existence as a baseline measure. It was decided to establish a LEO sub-group consisting of Tara Buckley, Connie Hanniffy and Maurice Coughlan who were asked to put together a scoping document on the options for examining this area to cover such aspects as looking at the data collected by the Department of Jobs, Enterprise and Innovation on services take-up, getting the views of the Chief Executive Officers of the LEOs and whether the appropriate type of customer survey is an awareness or engagement survey or both and if the inclusion of all 31 authorities would be necessary.

Housing Review Sub Group update

The draft questions on the local authority housing stock maintenance and management and private rented inspections functions for development into questionnaires by the LGMA were discussed. The view was expressed that some of the data included might not be available to the authorities and it was decided that the CCMA Housing Committee should be consulted by the Housing Sub Group before the matter is referred to the LGMA for drafting. The practitioners within the local authorities via the CCMA Committee are also to be consulted about the best way to obtain contact details for tenants willing to participate in a customer survey on an individual local authority basis and the potential for the practitioners conducting the survey is to be explored. The possibility of surveying private rented tenants re their satisfaction with the performance of the inspection function is also to be discussed with the CCMA Housing Committee. It was agreed to issue a revised letter to the Chief Executives about the forthcoming NOAC housing studies. Any other comments by members on what should be included in the questionnaires are to be submitted to the secretariat within a week.

Performance Indicators Reporting assessment

Members were circulated with the response from the Independent Assessment Panel arising from the decision at the February meeting to request them to submit a proposal re

reviewing a sample of the data supplied by local authorities for the 2014 performance indicators report. Members considered that the response was very helpful and agreed with the view expressed that a different process should now apply. It was decided that the assessment in the first year should be carried out by the Performance Indicators Sub-Group and the secretariat is to draft a letter to the Chief Executives advising of the assessment process that will be applied to the 2014 report.

Any Other Business

John Buckley raised the need to initiate a process for reviewing any report issued by the Local Government Audit Service as some follow up in respect of LGAS reports should be included in NOAC's Annual Reports. It was agreed that the report author and a Chief Executive of any of the local authorities that is the subject of an LGAS report should be invited to give a briefing to a NOAC meeting and to decide where NOAC should go after that.

Date of Next Meeting

Members were reminded that the next meeting is on Tuesday 26th May at 9.00 a.m. in Local Government House, Usher's Quay. It was agreed that the following meeting will be on Tuesday 30th June 2015 at 9.00 a.m.