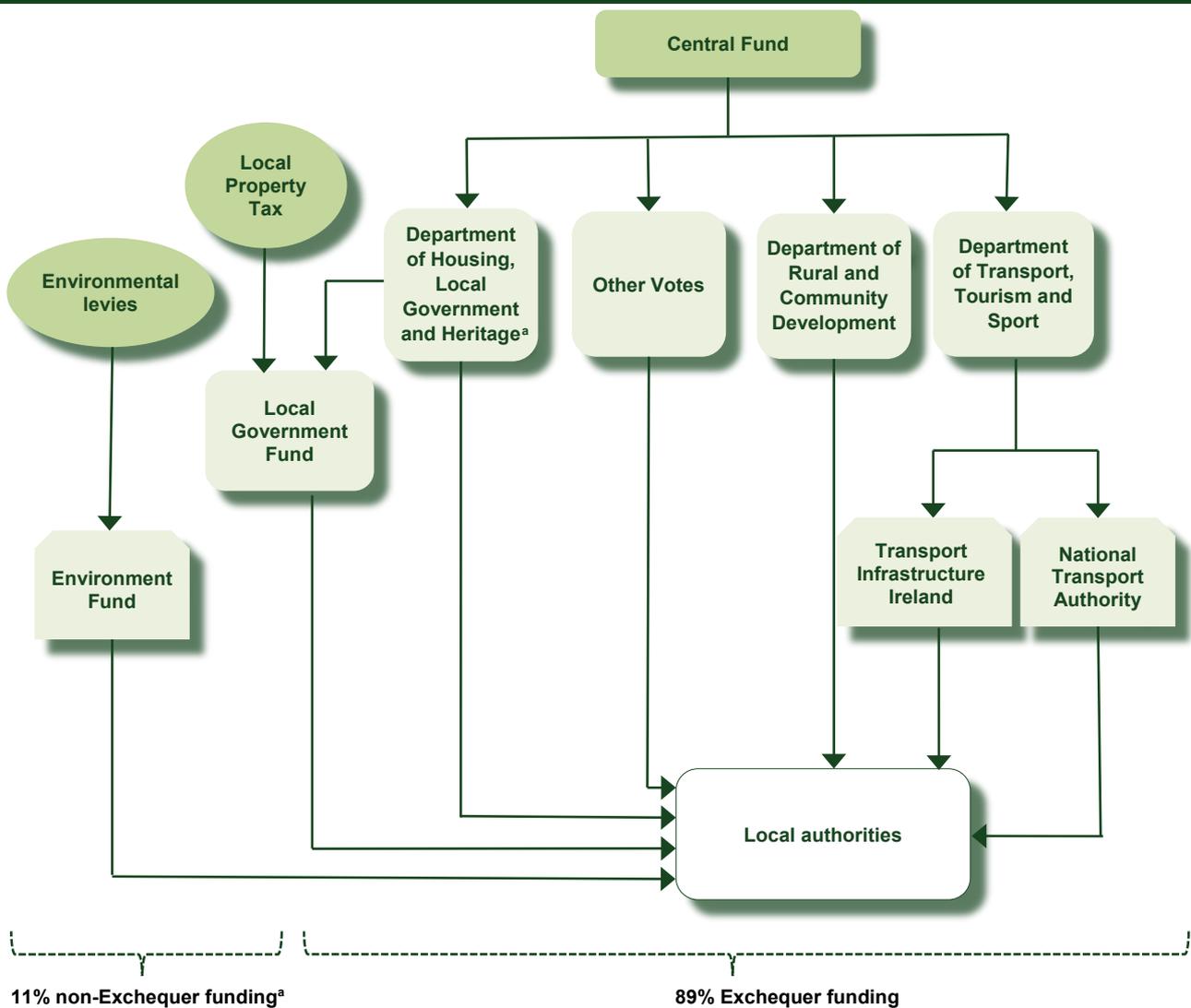


2 Central government funding of local authorities

2.1 Local authorities receive a substantial part of their annual funding from a range of central government departments and agencies (see Figure 2.1). The primary objective of this report is to provide an overview of the funds flowing from and through central government sources to local authorities, and of the purposes for which funds have been provided.

Figure 2.1 Flow of central government funding to local authorities in 2019



Source: Office of the Comptroller and Auditor General

Note: a The Department of Housing, Local Government and Heritage contributed €185 million (4% of total funding) to the Local Government Fund, for subsequent distribution to local authorities. This is classified as Exchequer funding.

Central government transfers

1 Includes all identified transfers of greater than €1 million. There may be some additional smaller transfers that have not been included.

2 In 2019, the Department of Housing, Local Government and Heritage provided funding of €185 million to the Local Government Fund (2018: €125 million). This is classified as Exchequer funding.

3 Under Statutory Instrument 339 of 2020 Heritage (Transfer of Departmental Administration and Ministerial Functions) Order 2020, responsibility for heritage transferred to the Department. The Department was previously named the Department of Housing, Planning and Local Government.

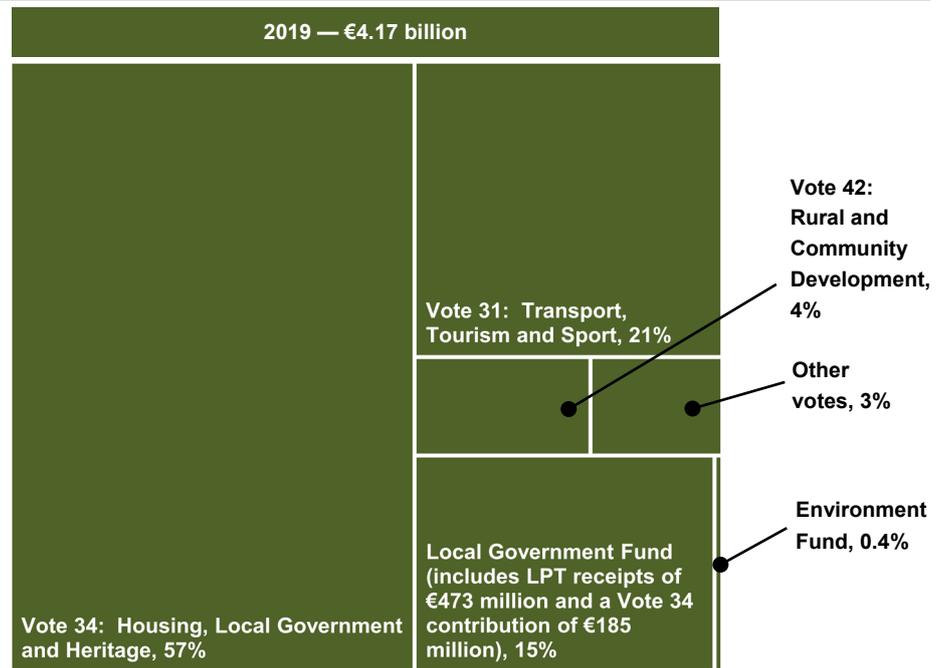
4 Local property tax is administered by the Revenue Commissioners. Receipts are paid by the Revenue Commissioners into the Local Government Fund.

5 The flow of funds to and from the LGF changed materially from 1 January 2018.

- Local property tax receipts are now paid directly to the LGF by the Office of the Revenue Commissioners — previously, those receipts had passed through the Exchequer.
- Motor tax receipts are no longer paid into the LGF — they are now paid into the Central Fund.
- Payments to Irish Water for subvention, payments to local authorities for Group Water Schemes and recoupment of local authority water services capital loans are no longer made from the LGF — these are now paid by the Department.
- There are no longer payments from the LGF to the Department of Transport, Tourism and Sport to fund regional and local roads and other public transport — that Department now provides this funding directly.

- 2.2** In 2019, funding to local authorities from central government sources totalled €4.17 billion (see Figure 2.2) — an increase of 13% on the €3.69 billion in 2018.¹ The increase mostly related to increased funding for social housing. About 89% of this total originated as Exchequer funding, compared to 86% in 2018.² The balance of the funding was provided through the Local Government Fund and the Environment Fund.
- 2.3** The Local Government Fund (LGF) is administered by the Department of Housing, Local Government and Heritage (the Department).³ In 2019, the LGF was financed mainly by local property tax (LPT) receipts (€473 million) and a contribution of €185 million from the Exchequer, via the Vote for Housing, Local Government and Heritage.^{4,5}
- 2.4** The Environment Fund is administered by the Department of Communications, Climate Action and Environment. It was established primarily to support environmental initiatives, campaigns and programmes, many of which are organised at local or regional level under the auspices of local authorities. The Fund is comprised of the proceeds of the plastic bag levy, which is paid by consumers and collected from retailers by the Revenue Commissioners, and receipts from the landfill levy. Disbursements from the Fund are ring-fenced to assist projects that aim to protect or enhance the environment.

Figure 2.2 Sources of central government financing for local authorities 2019



Source: Analysis by the Office of the Comptroller and Auditor General

Local property tax allocations to local authorities

- 2.5** Up to 2014, the Local Government Fund provided funding to local authorities for their 'day-to-day' activities through 'general purpose grants'. From 2015, general purpose grants are no longer paid and have been replaced by LPT allocations. LPT allocations to individual authorities, and the purpose that such receipts can be applied to, are calculated by reference to the base funding requirement.

Base funding requirement

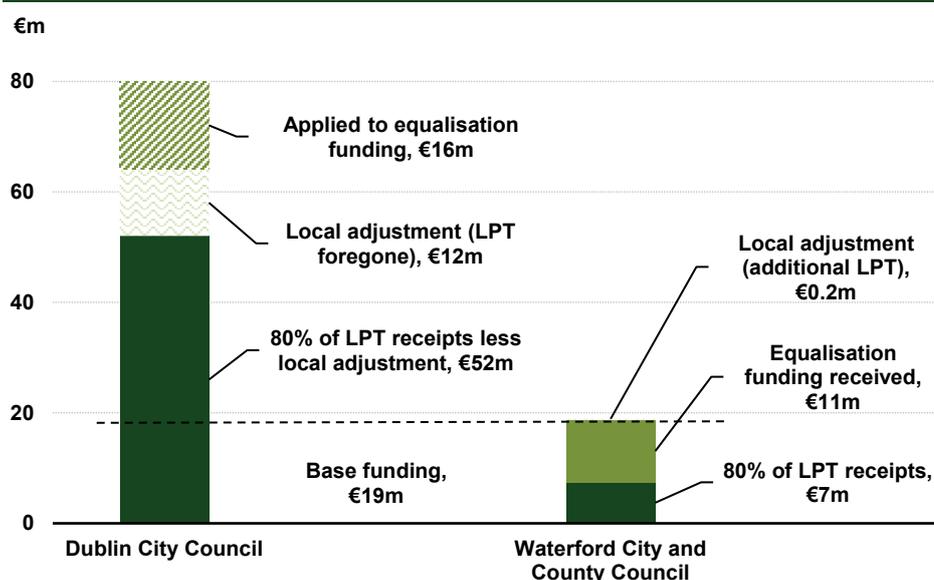
The base funding requirement is linked, for the most part, to the level of funding previously allocated from the Local Government Fund as general purpose grants (€281 million in 2014) and to the level of pension related deductions retained by local authorities (€74 million) in 2014.

Effectively, the LPT allocation now replaces both of these previous sources of funding. In 2019, the base funding requirement for all local authorities was €355 million.

- 2.6** The estimated LPT yield for each local authority is calculated using the Revenue Commissioners' data on net declared liabilities in the prior year. The starting point is that 80% of LPT yield is **locally retained** in the authority where the tax is raised and 20% is made available for redistribution as equalisation funding.
- 2.7** The 80% retained allocation is then compared to the base funding requirement for each local authority and where it is lower than the base funding requirement, additional equalisation funding is allocated to that authority. Where the 80% allocation is higher than the base funding requirement, no additional funding is allocated.
- 2.8** A final adjustment to the allocation is made in relation to any changes to the tax rate applied by individual local authorities. In 2019, four local authorities reduced their LPT rates and as a result, their LPT allocations were reduced by €28 million. Five authorities decided to increase their 2019 LPT rates above the basic rate and as a result received additional allocations of €3 million. Annex 2A shows the impact of variations applied by these nine local authorities in 2019.
- 2.9** The calculation of LPT allocations and the applications of those allocations in individual local authorities involves a number of calculations including the authority's receipts, its base funding requirement and any local variations to the tax rate. Figure 2.3 sets out the impact for two local authorities with similar base funding requirements with one in surplus and the other in deficit.¹ In summary
- Dublin City Council had LPT receipts of €80 million. Its LPT allocation was €52 million, calculated on the basis that it would retain 80% of its receipts (€64 million) with a deduction of €12 million due to a reduction in LPT rates implemented by Dublin City Council in 2019.
 - Waterford City and County Council had LPT receipts of €9.3 million. Its LPT allocation was €18.9 million calculated on the basis of retention of 80% of its receipts (€7.4 million), the allocation of an additional €11.2 million of equalisation funding and the retention of €200,000 due to an increase in LPT rates implemented by the Council in 2019.

¹ For illustrative purposes, the detailed calculations for four authorities are set out in Annex 2B — two authorities in a surplus position and two in a deficit position.

Figure 2.4 provides an overview of the allocation of LPT to local authorities

Figure 2.3 Comparison of LPT allocation in two local authorities, 2019

Source: Department of Housing, Local Government and Heritage

Figure 2.4 Allocation of LPT to local authorities for 2019^a

	80% retention > base	80% retention < base	2019 All	2018 All
Number of local authorities	10	21	31	31
	€m	€m	€m	€m
Total LPT receipts	317	169	486	486
Local retention (80%)	254	136	389	388
Equalisation funding				
- LPT redistribution (20%)	—	97	97	97
- Exchequer contribution	—	41	41	42
Pre-variation LPT allocations	254	274	528	527
Adjustment for local variations in tax rate	(28)	3	(25)	(23)
Post-variation LPT allocations	226	277	503	504
Of which				
- for authority's own general use	117	277	394	395
- self-funding of housing/roads services	109	—	109	109

Source: Department of Housing, Local Government and Heritage

Note: a Figures may not tot due to rounding.

2.10 The application of LPT allocations is also related to the base funding requirement.

- Where an authority receives equalisation funding, all of its allocation is provided for the authority's 'own use'.
- Where an authority is in a surplus position (i.e. the retained LPT amount (80%) is greater than the base funding), the surplus is distributed between discretionary 'own use' purposes, and directed contributions towards the authority's spending on housing and roads.

2.11 In 2019, for the ten authorities in a surplus funding position (relative to the baseline)

- €117 million was available for the local authorities' own use, after a reduction of €28 million due to a local variation implemented by four local authorities
- €109 million was allocated to self-fund housing and road services.^{1,2}

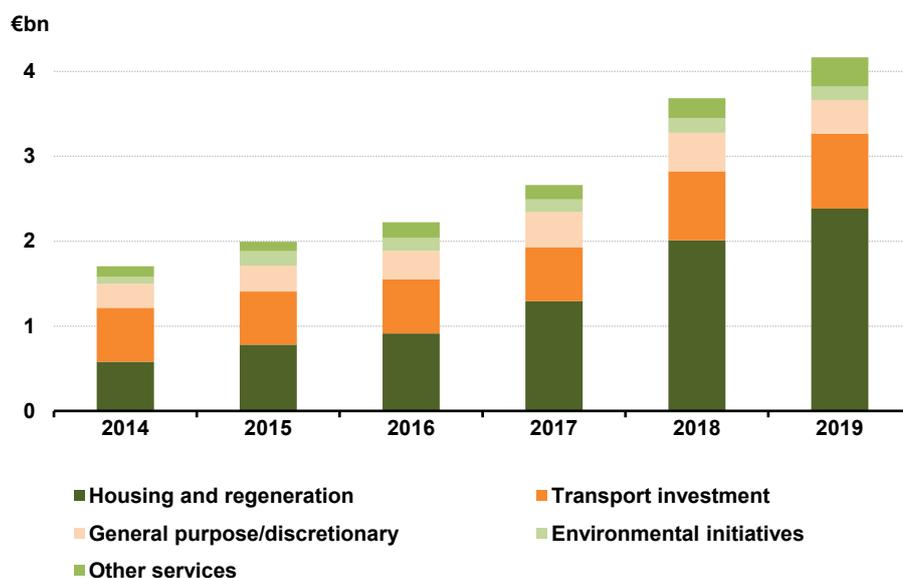
2.12 For the 21 local authorities requiring equalisation, €277 million was available for the local authorities' own use, which included an additional €3 million collected due to a local variation implemented by five local authorities.

Application of central government funding

2.13 Most of the funding sourced from central government and provided to local authorities must be used for specified local authority services. These can be grouped into five broad programme categories. Figure 2.5 presents a breakdown of the transfers to local authorities for 2014 to 2019 showing the programmes being supported (a detailed breakdown is at Annex 2C).

2.14 In 2019, around 78% of the total provision from central government to local authorities was accounted for by two categories — housing and regeneration programmes (57%), and transport (21%).

Figure 2.5 Central government transfers to local authorities, by expenditure programme, 2014 to 2019

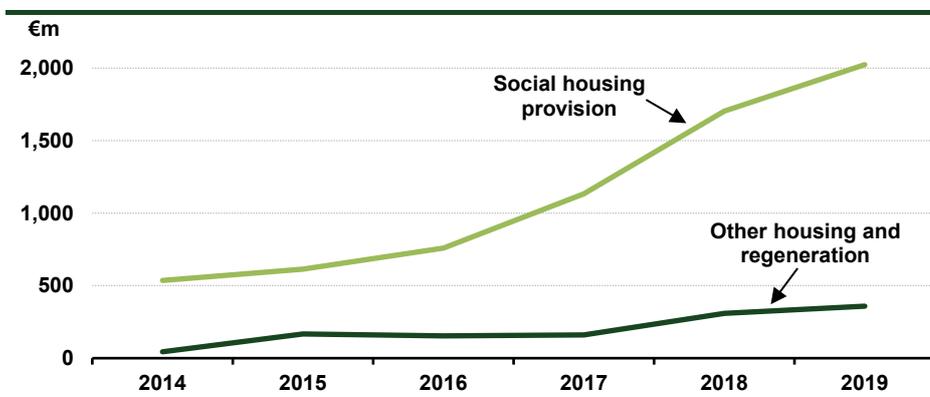


1 In 2019, the allocation to fund housing was €92.6 million and to fund roads was €16.6 million. The Department notify each local authority of the allocation of the surplus — it is typically in the order of 85% to fund housing and 15% to fund roads.

2 Nine of the ten local authorities in surplus had LPT allocated to fund housing and roads. The LPT surplus for Meath County Council did not exceed 20% of LPT and therefore none of the surplus was restricted to the funding of housing and roads.

Housing

Figure 2.6 Funding to local authorities for investment in housing and regeneration, 2014 to 2019



Source: Annex 2C

- 2.15** The level of funding to local authorities has increased significantly each year since 2016 — more than half of all funding to local authorities is now for housing supports.
- 2.16** The Department provides the bulk of the funding for housing and regeneration directly to local authorities. In addition, nine local authorities were required to fund housing services from their retained LPT receipts, to a value notified to the authority by the Department. Figure 2.6 indicates the trend in the level of central government funding for social housing provision and other housing and regeneration.
- 2.17** The funding is used by the local authorities to support the provision of social housing stock and a range of social housing and other housing supports (see Figure 2.7).
- 2.18** In 2019, the Department of Justice and Equality provided €0.8 million to local authorities for housing support activities of which €0.6 million was eligible for EU funding under the Asylum, Migration and Integration Fund (AMIF) — that Department may recoup from the EU up to 75% of the funding provided.

Figure 2.7 Application of housing funding by local authorities, 2019

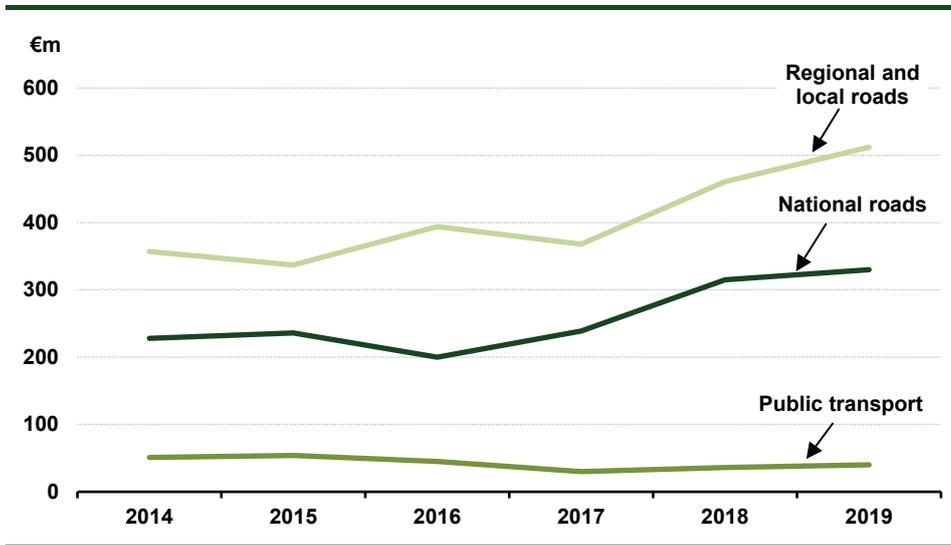
Provision of social housing stock and other housing supports	Improvement of existing housing units
<ul style="list-style-type: none"> ▪ the local authority build and acquisitions programme ▪ voluntary and cooperative housing ▪ the housing assistance payment ▪ the social housing current expenditure programme ▪ the rental accommodation scheme ▪ accommodation for homeless persons ▪ provision of traveller-specific accommodation 	<ul style="list-style-type: none"> ▪ returning vacant local authority housing stock to productive use ▪ regeneration and remedial work^a ▪ adaptation grants for older people and people with a disability ▪ energy efficient works on local authority stock

Source: Department of Housing, Local Government and Heritage

Note: ^a Regeneration and remedial work includes the development of some new housing units.

Transport investment

Figure 2.8 Funding to local authorities for transport infrastructure, 2014 to 2019



Source: Annex 2C

2.19 Figure 2.8 shows the trend in the level of funding from central government sources provided to local authorities in respect of the key transport areas. Expenditure on transport by local authorities is funded through a number of organisations (see Figure 2.9).

Figure 2.9 Transport investment, by organisation and role

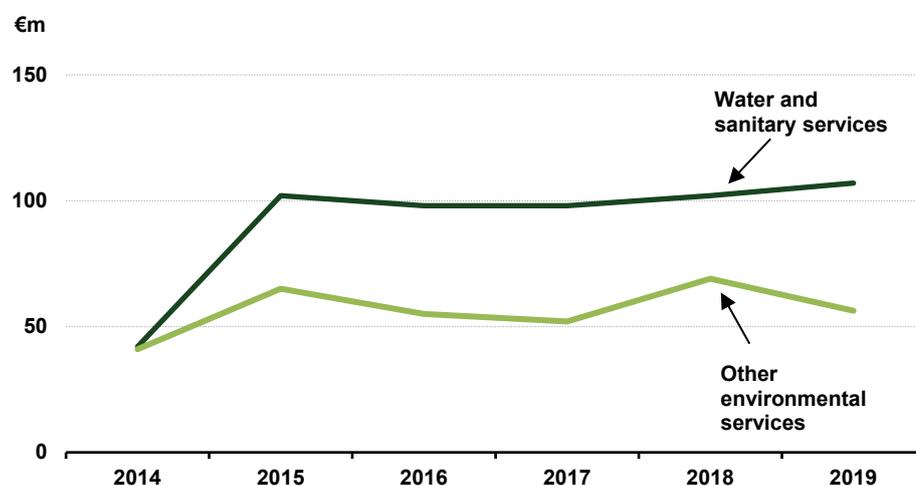
Organisation	Role
Department of Transport, Tourism and Sport	<ul style="list-style-type: none"> directly funding local authorities for the upkeep of regional and local roads
Transport Infrastructure Ireland ^a	<ul style="list-style-type: none"> improvement and maintenance of national roads uses local authorities as its agents to deliver roads projects, and channels expenditure through them
National Transport Authority ^a	<ul style="list-style-type: none"> funds local authorities for improvements in the public transport system objectives include increased accessibility to public transport for older people, improved traffic flows, more routes for cyclists and pedestrians and better access for buses and taxis
Department of Rural and Community Development	<ul style="list-style-type: none"> provides funding to carry out improvement works on private and non-publicly maintained roads leading to, for example, multiple homes, farmland, or amenities such as lakes and beaches

Source: Department of Transport, Tourism and Sport

Note: a Transport Infrastructure Ireland and the National Transport Authority operate under the aegis of the Department of Transport, Tourism and Sport.

Environmental initiatives

Figure 2.10 Funding to local authorities for environmental initiatives, 2014 to 2019



Source: Annex 2C

2.20 Figure 2.10 shows the trend in the level of funding from central government sources provided to local authorities in respect of environmental initiatives.

1 Under Section 12 of the Water Services Act 2014, public water services property was not rateable. This exemption as applied to Irish Water was ended by section 61 of the Water Services Act 2017, which was commenced with effect from 18 October 2019. Irish Water public water services property has therefore become rateable with effect from 1 January 2020.

2.21 In 2019, the Department provided €107 million for water and sanitary services, including a water quality programme. This included Local Government Fund transfers totalling €47 million to compensate local authorities for budget shortfalls due to public water service property not being rateable.¹

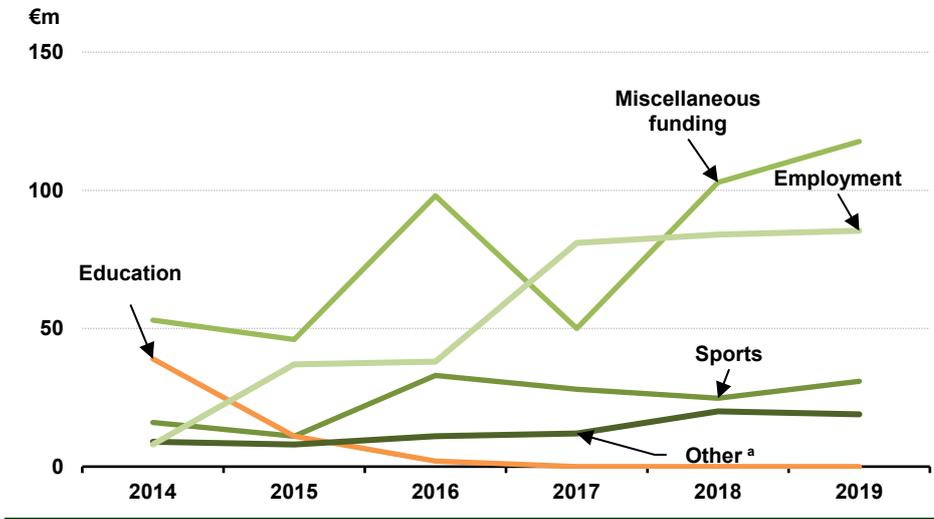
2.22 Funding for environmental initiatives in 2019 includes

- funding of €28 million for flood relief works provided by the Office of Public Works to 26 local authorities
- funding of €23 million for waste management programmes including €9.5 million provided in relation to landfill remediation — €6.7 million from the Department of Communications, Climate Action and Environment and €2.8 million from the Environment Fund.²

2 Land remediation is discussed further in Chapter 9 — *Remediation of landfill sites*.

Other services

Figure 2.11 Funding to local authorities for other services, 2014 to 2019



Source: Annex 2C

Note: a Other category includes fire and emergency services and library services.

2.23 Central government bodies also fund local authorities to assist in providing a range of services such as education, employment, sports and cultural projects, fire and emergency services, heritage services, and library and archive services. Figure 2.11 shows the trend in the level of funding in respect of such services.

Employment

- 2.24** In 2015, the Department of Business, Enterprise and Innovation began to provide funding to local authorities through Enterprise Ireland, to cover the costs associated with providing local enterprise development supports to the micro-enterprise sector via their Local Enterprise Offices (LEOs). Funding amounted to €37.9 million in 2019.
- 2.25** The Department of Rural and Community Development provides funding for communities and individuals through the Social Inclusion and Community Activation Programme (SICAP). In 2019, funding of €38 million was provided. The programme is managed on the Department's behalf by Pobal.
- 2.26** The Department of Employment Affairs and Social Protection reimburses local authorities for expenditure incurred on certain community employment and jobs initiative projects (€6.9 million in 2019).

Miscellaneous services

2.27 The Department of Rural and Community Development provided almost €80 million for miscellaneous capital services — €38.5 million in funding under the EU LEADER programme, €18.4 million under the Rural Regeneration Development Fund, €12.9 million for town and village regeneration, €4 million for community enhancement and €6 million for capital supports for disadvantaged people.

2.28 The Department of Defence paid €3.6 million to local authorities for Civil Defence activities.

Sports and cultural projects

2.29 Funding was allocated to sports grants, playgrounds and cultural projects — mainly from the Department of Rural and Community Development (€15.6 million) and the Department of Culture, Heritage and the Gaeltacht (€9.4 million).

Other

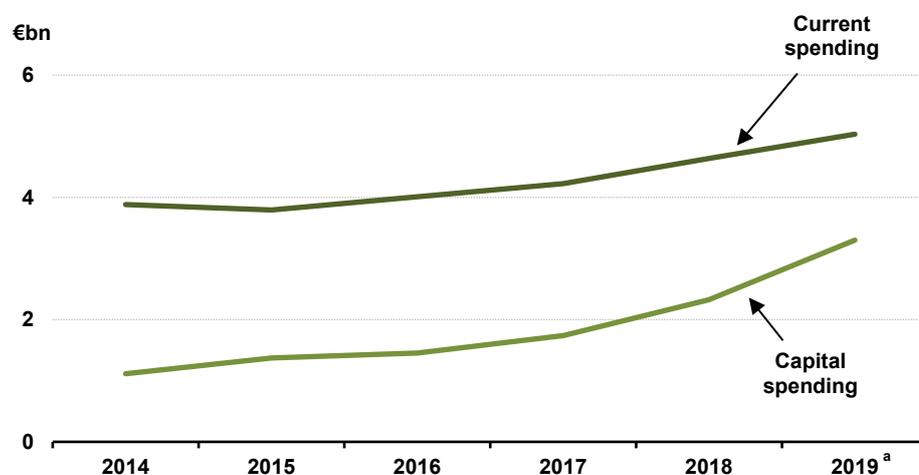
2.30 The Department of Health provided €7.5 million in funding to local authorities, 83% of which was for the Local Authority Veterinary Service.

Trends in local authority expenditure, 2014 to 2019

2.31 Aggregate expenditure by local authorities in 2018 (the last year for which full audited information is available) was €6.96 billion.¹ This comprised around €4.64 billion in current expenditure and around €2.32 billion in capital expenditure (see Figure 2.12).

2.32 Expenditure for 2019 is expected to be €8.4 billion — €5.1 billion of current expenditure and €3.3 billion of capital expenditure.² On that basis, transfers from central government accounted for 49.6% of the total spent by local authorities in 2019 (2018: 53%).

Figure 2.12 Local authority expenditure by type, 2014 to 2019



¹ Includes expenditure by the 26 county councils, three city councils, and two city and county councils.

² Collation of local authority expenditure outturns for 2019 had not been finalised by the Department of Housing, Local Government and Heritage at the time of this report.

Source: Department of Housing, Local Government and Heritage

Note: ^a Figures for 2019 are estimates. For all earlier years, audited figures are used.

Central oversight of local authorities

- 2.33** In each local authority, policy decisions are the ‘reserved function’ of the elected councillors. Reserved functions include passing an annual budget, housing policy decisions and policies on environmental protection. A chief executive manages each local authority on a day-to-day basis — responsibilities include delivering on strategic objectives as set out in the corporate plan, administering schemes and allocating grants.
- 2.34** There are three main mechanisms for central government oversight of local authority financial performance — the Department of Housing, Local Government and Heritage, the Local Government Audit Service and the National Oversight and Audit Commission.

Department of Housing, Local Government and Heritage

- 2.35** The Department of Housing, Local Government and Heritage oversees the operation of the local government system, providing the policy framework within which local authorities work and deliver services to the communities. The Local Government Finance section of the Department oversees local authorities financial performance through the sanctioning of loans and the monitoring of revenue and capital accounts.
- 2.36** The Local Government Finance section monitors local authorities compliance with reporting requirements in relation to the General Government Balance — reporting requirements include quarterly reports on revenue, capital and debtors which must be submitted to the Department within eight weeks after quarter-end. Reports on borrowing must be submitted within 14 days after quarter-end.

1 The borrowing of money by a local authority is governed by section 106 of the Local Government Act 2001 (as amended). Each loan application from a local authority must include a resolution passed by the Council. Section 106 of the Act also provides for the introduction of regulations in relation to borrowing by local authorities — no such regulations have been introduced.

2 If the matter relates to the responsibility or interest of two or more Ministers, it is the responsibility of the Minister who has greatest interest in the matter. In the event that there is no clear sanctioning Minister (or section within the Department), Local Government Finance section may sanction loans or coordinate a loan approval request seeking observations from a number of sections/departments on the different aspects of the sanction request.

3 One loan application had not been sanctioned by June 2020 for policy reasons rather than financial reasons.

4 Local Government audit fees of €2.1 million were paid to the Department and accounted for as appropriations-in-aid in respect of 2019.

Borrowing

- 2.37** The decision to borrow is a reserved function of the local authority but borrowing requires central government sanction.¹ Borrowings by a local authority must be sanctioned by the Government Minister with policy responsibility for that area — sanctioning departments must consult with the Local Government Finance section.² The sanctioning Department(s) provides an assessment of the financial viability of the loan for the local authorities concerned, and an assessment as to whether the borrowing can be accommodated within the context of the fiscal rules.
- 2.38** The Department stated that no request for sanction to borrow has been refused for financial reasons in recent years. A borrowing moratorium was placed on one local authority since March 2013 and no approval for borrowing has been sought by this authority since that date.
- 2.39** In 2019, requests for sanction to borrow were received from 13 local authorities – 12 were approved.³ The amount of sanctioned borrowing in 2019 ranged from €1 million to €30.5 million.

Local Government Audit Service

- 2.40** The financial statements of each local authority are audited by the Local Government Audit Service (LGAS).⁴ The audit opinion and any matters arising from the audit are reported to the relevant local authority. A copy of each audit report is sent to the Minister for Housing, Local Government and Heritage and published on the Department’s website. The Department identifies sector wide issues in audit reports for follow up, and engages with relevant local authorities in the event it requires information on a particular issue.

- 2.41** LGAS also carries out value for money audits of local authority operations. The results of those audits are reported to the Minister.
- 2.42** LGAS publishes an activity report each year. It summarises the audit findings in respect of the annual financial statements of each local authority. The latest annual activity report was published in July 2020 and includes the results of the audits of the 2018 financial statements.¹ The report highlights both sectoral and authority-specific issues such as income and expenditure for the sector, the cumulative revenue position of each local authority, and revenue collection performance.
- 2.43** In relation to the audit of 2018 financial statements, LGAS found that
- the closing cumulative revenue balances in 30 out of the 31 local authorities improved (before transfers to and from reserves) during 2018 — reflecting the control local authorities exercised over their spending
 - while all local authorities with deficit balances improved their deficits during the year, a number of significant cumulative adverse balances continue to be highlighted — including for Sligo, Donegal and Waterford who each had year-end deficits greater than €5 million.
- 2.44** In relation to loans made to local authorities, LGAS reported that total loans at 31 December 2018 amounted to €3.55 billion (€3.67 billion at 31 December 2017) — of which 92% was borrowed from the Housing Finance Agency. Loans comprised
- mortgage loans (27% of loans) which are used to fund annuity loans issued to customers for home purchase
 - non-mortgage loans (43% of loans) included loans for the purchase or construction of assets (for example council buildings) or bridging finance — LGAS stated that these types of loans continue to be an area of audit focus by virtue of their size or the number of balances, as they have to be funded from a local authority's own resources resulting in pressure on the council's finances
 - recoupable loans (30% of loans), included loans to voluntary housing organisations and for water infrastructure for which there exists a commitment to meet the costs of the loan (an equivalent amount is included as a long-term debtor).

1 Local Government Audit Service, *Overview of the Work of the Local Government Audit Service*, July 2020.

2 Unfunded balances relate to expenditure for which there is no agreed future funding.

3 The Local Government Reform Act 2014 provided for the Commission which was formally established by Statutory Instrument 297 of 2014.

4 The Commission's annual report for 2019 sets out its strategy and reports on its activities. See *National Oversight and Audit Commission Annual Report 2019*, August 2020.

2.45 LGAS published a VFM report in 2019 which focused on the level of interest-only loans owed by local authorities. The report concluded that local authorities need to monitor and assess the impact on their income and expenditure account if these interest-only loans move to repayment of both principal and interest. LGAS also published (in April 2019) a report on the level of capital unfunded balances at end-2016.²

2.46 Local authorities also had bank investments of €1.9 billion and a further €0.1 billion in cash at 31 December 2018.

National Oversight and Audit Commission

2.47 The National Oversight and Audit Commission was established in July 2014.³ The Commission has a wide range of functions focused on the scrutiny of local government performance, including their financial performance.

2.48 It exercises this scrutiny by means of both overview and thematic reports and, where warranted, oral hearings on matters within its remit.⁴ It also monitors the implementation by local authorities of its recommendations.

- 2.49** The Commission publishes an annual review of local authority performance indicators. In relation to the sustainability of local authority finances, the Commission noted that in respect of 2018, eighteen local authorities were in a cumulative revenue surplus position, while thirteen had a cumulative revenue deficit, of which
- the cumulative deficit was less than 5% of 2018 total income for nine authorities
 - the cumulative deficit was between 5% and 10% of 2018 total income for three authorities
 - the cumulative deficit was 30% of 2018 total income for one authority.
- 2.50** Due to the impact of Covid-19, the Commission's report on local authority performance indicators for 2019 is not expected to be published until late 2020.

Conclusions

- 2.51** Central government funding to local authorities is highly complex, with transfers from a number of departments for a wide variety of stated purposes. Some streams of funding are delivered directly from funding departments to local authorities, while others are routed through departmental agencies.
- 2.52** Local Property Tax allocation is linked to historic local authority base funding requirement which for the most part relates to the amount allocated in 2014. In 2019, under an established formula, LPT receipts of €97 million from ten local authorities together with an Exchequer contribution of €41 million were redistributed to the remaining 21 local authorities as equalisation funding.
- 2.53** Transfers of funding from central government sources to local authorities in 2019 totalled almost €4.2 billion. This represents a cumulative increase of 144% from the lowest level of transfer in 2014, coinciding with the replacement of general purposes grants by LPT-based funding transfers in 2015. In parallel with the increased funding, oversight of local authority spending has increased since 2014, through the operation of the National Oversight and Audit Commission.

Annex 2A Variations of Local Property Tax rates in 2019

Local authorities may vary the rate of Local Property Tax (LPT) in their administrative area for the following year by up to 15% of the basic rate of the tax.

Four local authorities resolved to reduce their LPT rates for 2019 and five authorities decided to increase their 2019 LPT rates above the basic rate.

Where an authority decides to vary the LPT basic rate upwards, it retains 100% of the resultant additional income collected in that local authority area. Likewise, where the rate is reduced, that authority absorbs the full impact of the reduction of LPT that is not collected.

Figure 2A.1 Impact of variation by local authority in 2019

Local authority	2019 Local variation factor (percentage)	(Loss)/gain to LA following variation, compared to original allocation ^a	Total 2019 LPT allocation post variation
			€000
Local authorities requiring equalisation			
Laois County Council	+10%	494	9,053
Limerick City and County Council	+7.5%	1,178	18,732
Longford County Council	+15%	318	9,224
Waterford City and County Council	+2.5%	233	18,912
Wexford County Council	+10%	1,223	14,770
Total		3,445	
Local authorities in surplus			
Dún Laoghaire-Rathdown County Council	-15%	-7,780	33,712
Dublin City Council	-15%	-12,009	52,039
Fingal County Council	-10%	-3,825	26,778
South Dublin County Council	-15%	-4,742	20,548
Total		-28,356	

Source: Department of Housing, Local Government and Heritage

Note: a Figures may not tot due to rounding.

Annex 2B Local Property Tax allocations for sample local authorities, 2019

Figure 2B.1 shows the LPT allocation for four local authorities, to show the impact of a local authority being in a surplus or deficit position and the impact of a local adjustment on LPT allocation.

Figure 2B.1 LPT allocation for four local authorities in 2019

	Local authorities where 80% of receipts is greater than baseline funding — i.e. in a surplus position		Local authorities where 80% of receipts is less than baseline funding — i.e. in a deficit position	
	Dublin City Council	Clare County Council	Tipperary County Council	Waterford City and County Council
	€m	€m	€m	€m
80% local retention	64.1	8.1	9.4	7.4
20% towards equalisation funding	16.0	2.0	2.4	1.9
Total LPT receipts	80.1	10.1	11.8	9.3
Baseline	19.1	4.4	26.0	18.7
Surplus/(deficit)	44.9	3.7	(16.5)	(11.2)
Local adjustment	(12.0)	—	—	0.2
Equalisation funding	—	—	16.5	11.2
LPT allocation	52.0	8.1	26.0	18.9
Application				
Own use 20% of LPT receipts	16.0	2.0	—	—
Roads and housing - balance of surplus	28.9	1.6	—	—
Own use balance of allocations	7.1	4.5	26.0	18.9
Application of LPT	52.0	8.1	26.0	18.9

Source: Department of Housing, Local Government and Heritage

Annex 2C

Figure 2C.1 Central government transfers to local authorities, by expenditure programme, 2014 to 2019^a

Expenditure category	2014	2015	2016	2017	2018	2019
	€m	€m	€m	€m	€m	€m
Housing and regeneration^b						
Social housing provision	536	614	759	1,133	1,704	2,024
Affordable housing, etc. ^c	39	3	2	3	—	—
Infrastructure funding ^c	—	—	—	—	7	22
Other housing supports	5	114	92	79	215	258
Regeneration	—	50	60	78	86	79
	580	781	913	1,293	2,012	2,383
Transport investment						
National roads improvement	228	236	200	239	315	330
Regional and local roads improvement ^b	357	337	394	368	461	512
Public transport (capital payments)	51	54	45	30	36	40
	636	627	639	637	812	882
Environmental initiatives						
Water and sanitary services	42	102	98	98	102	107
Flood relief works	21	44	34	28	31	28
Waste management	5	3	18	17	25	23
Recycling	2	—	—	—	—	—
Other environmental measures	13	18	3	7	13	6
	83	167	153	150	171	164
Other services						
Higher education grants	39	11	2	—	—	—
Employment schemes	8	37	38	81	84	86
Swimming pools	—	1	4	6	1	—
Fire and emergency services	7	6	9	12	13	13
Library service	2	2	2	7	7	6
Sports grants, playgrounds and cultural projects	10	9	28	13	22	30
Heritage services (architectural heritage)	5	1	1	2	1	4
Miscellaneous funding	53	45	99	48	108	119
	124	112	183	169	236	258
General purpose grants	282	—	—	—	—	—
LPT allocations — general purpose/discretionary ^b	—	306	310	393	395	394
Remuneration-related payments (LGF) — general purpose/discretionary	—	—	25	20	60	86
Total funding provided to local authorities	1,705	1,993	2,223	2,662	3,686	4,167

Source: The Office of Public Works; Department of Housing, Local Government and Heritage; Department of Education and Skills; Department of Transport, Tourism and Sport; Department of Culture, Heritage, and the Gaeltacht; Department of Health; Department of Children and Youth Affairs; Department of Justice and Equality; Department of Agriculture, Food and the Marine; Department of Employment Affairs and Social Protection; Department of Communications, Climate Action and Environment; Department of Defence; Department of Business, Enterprise and Innovation; Department of Rural and Community Development; Local Government Fund and Environment Fund financial statements (2019 unaudited).

- Notes:
- Adjustments have been made to some previously reported amounts to reflect amounts not previously included and reclassifications. Some figures in the table have been rounded.
 - The total LPT allocation from the Local Government Fund in 2019 was €503.6 million, allocated as follows: housing €92.6 million; roads €16.6 million; general purpose/discretionary €394.4 million.
 - From 2018, expenditure incurred under the Affordable Housing/Shared Ownership Subsidy is included under 'other housing supports'. In 2017, expenditure amounting to €1.6 million relating to infrastructure funding was included in 'other housing supports'.