

Financial Performance 2008/9

The 2008 Annual Financial Statement was completed and submitted to the DoEHLG on schedule. A deficit of €267k was returned on an overall expenditure of €66.6m, equivalent to 0.4%. We have an accumulated deficit of € 332k at December 31, 2008.

Revised Budget 2009

Close monitoring of variations in projected income and expenditure in the early 2009 indicated a need to further adjust our expenditure budgets in 2009 to yield further savings of approximately €4 million in order to remain in balance. The main cause of this adjustment was a substantial reduction in our Landfill Income and Planning fees etc. In effect this entailed a detailed re-analysis/evaluation of our original 2009 budget to identify areas where savings could be made. The savings that were identified affected a large number of areas of expenditure including:

- Staff pay/overtime/travel expenses and associated costs
- Plant hire
- Energy costs
- Central administration costs
- Environmental initiatives
- Housing maintenance
- Tourism grants
- Library book stock
- Water services.

Elected Members were advised of the necessary changes that had to be made at the July 2009 meeting.

Budget 2010

In compiling the 2010 budget the savings and reduced landfill and planning income (see above paragraph) that were necessary to balance the revised 2009 budget have been carried forward in the 2010 budget. In addition we are anticipating a reduction in our local government fund of €2 million. The combination of this when netted off against increased income necessitates a further reduction in our net expenditure of almost €1.142m million in 2010. A summary below outlines the main areas affected:

Main Balancing Actions

	€k
Disabled persons grants - net reduction	100
County Roads	314
Public Lighting Reduction	50
Water Services Expn. Reduction	281
Broadband funding	60
Environment Budget reduction	283
Swimming Pools grant Reduction	12
Library Loan	12
Central Overheads	<u>30</u>
	1142

Staffing Costs/Deductions 2009

In 2009 we had the following:

- T2016 payments scheduled were not paid as part of Government policy €314k
- Benchmarking for SEO/SE grades not paid €55k
- Pension Levy deducted from staff - projected total €873k

The benefit of these reductions have been for the exchequer and not for OCC
In Addition:

- Non Basic pay allowances curtailed €94k
- Reduced overtime €481k
- Reduced travel expenses €265k

Also:

- Total staff numbers reduced by 55 (over 10%) consisting of 16 permanent vacancies not replaced, 39 contract/temporary staff not replaced
- Moratorium continues for 2010 so it is expected that there will be a further significant reduction in numbers employed next year.

Capital Budget/Development Contributions Report

The above report which is included in the budget book highlights:

There is a need for capital expenditure of €292m over the next three years. Funding of this expenditure requires an estimated €55 million from development contributions. We currently have €12.3 million in our development contribution fund. We are anticipating substantially reduced

receipts of €3 million over the next three years. This means that there is an anticipated shortfall of €40 million. This shortfall will restrict our ability to undertake many of the capital projects which are necessary. Projects will have to be deferred/prioritised taking account of funds that are available.

None Principle Private Residents Tax

This tax was introduced in July 2009. Nationally it has been very successful; nationally €54 million has been collected to date. The amount collected to date for Offaly Local Authorities is €463k.

At a local level the implementation of this national project involved a considerable amount of effort. Staff had to train on the operation and general rules of the legislation. In addition the facility was provided whereby the public could submit/queries their payments to OCC. To date we have processed 500 payments at a local level. In addition to date we have dealt with 425 queries from the public regarding the rules/eligibility for payment etc. Dealing with these was time-consuming. The additional work placed on the finance department was dealt with from within existing resources. It has led to in some instances to delays in other tasks being completed.

Central Revenue Collection Department

As advised in previous reports this section continues to operate efficiently. In addition in 2009 we took on the following:

All water/sewerage billing to include Town Councils was centralised in OCC.

As part of the water metering programme, we have identified 696 additional customers. This has brought our current billable water customers in the county to 2571.

In addition we have implemented a consolidated charge for water and sewerage.

The effect of the above is that we have had to take all a lot of additional work dealing with new customers, setting up new water meters and dealing with numerous queries etc from new customers who previously had not been charged and from existing customers who are now being charged for sewage in addition to water. In the short-term i.e. until the end of 2010 we will be in a transition phase of dealing with the above matters. We are confident that at the end of that phase we will have dealt with most of the problems and water/sewerage invoices will be like any other utility invoice in the hands of consumers.

Motor Taxation

In 2009 we anticipate that our Vehicle taxation activity will be the same as 2008, despite the economic downturn. Despite our efforts in encouraging the public through verbal and information leaflets, we still have a large proportion

of the public taxing their vehicles on a quarterly, approximately 50%. The department will have handled approximately €13m in cash/credit card activity without any serious discrepancies. This has been achieved with reduced staff levels and is a credit to the resilience and ability of the staffing in that department. On-line activity has remained the same at approximately 24% of total activity.

Finance Dept. Corporate Plan/Business Plan - Key Achievements

The primary role of the Finance Department is to assist in achieving the strategic priority of developing and delivery quality services with particular regard to Financial Management and Value for Money.

The Finance Department Business Plan focuses on identifying areas for maintenance/improvement in the following work areas - Management Accounts, Annual Financial Statement, Budgeting/Costing, Financial Management Systems, Motor Taxation Office, Rates, Accounts Payable, Payroll/Superannuation, Fixed Assets Register, Housing Loans, Treasury Management and Insurance.

Key achievements during 2009

- Respond to growing demands internally and externally for financial information and analysis, while maintaining existing tasks/demands.
- The 2008 Annual Financial Statements for Offaly were submitted in accordance with the Department's deadline.
- NPPR – see separate note
- Continue the implementation of a Central Revenue Collection Section - See separate note
- Continue to promote the concepts of Value for Money and budgetary control.
Further Financial Management System training, for internal staff, – expenditure monitoring, in particular. We continued to provide in-house and external training on the Financial Management System and on other bespoke systems.
- Extensive input to implementation of National HR, Payroll and Superannuation Project.

2010 Priorities

In the current economic/budget situation are our priorities in 2010 will be to maintain our existing services and to continue to focus our attention constantly on financial management and budgetary control on an ongoing basis.

Declan Conlon
Head of Finance
14 December, 2009

Offaly County Council

Budget 2010

Reports

Frank Heslin – Director of Services

Roads Transport & Safety 2010

Allocated Expenditure Revenue and Capital 2009	€43,978,126
Proposed Expenditure 2010	€13,381,000

Details of the above expenditure are outlined in Table 1 below. Grants are provided from the National Roads Authority in respect of National Roads and from the Department of Transport in respect of Non-National Roads. The proposed allocations for 2010 are given below, with the figures for 2009 shown alongside for comparison purposes.

Category	Allocation 2009 €	Proposals 2010 €
National Primary Upkeep	154,845	150,000
National Primary Improvement	Nil	Nil
National Secondary Upkeep	643,711	640,000
National Secondary Major Schemes	29,400,000	3,500,000
National Secondary Improvement	500,000	500,000
National Secondary Traffic Calming and Accident Remedial Measures	200,000	150,000
National Secondary Bridge Rehabilitation	500,000	500,000
Non-National Specific Improvements & Low Cost Safety Schemes	1,269,000	1,250,000
Block Grant for Maintenance	645,000	645,000
Discretionary Improvement Grant	273,000	273,000
Restoration Maintenance Grant	1,855,000	1,855,000
Restoration Improvement Grant	3,648,000	3,648,000
Non-National Roads Training Grant	44,699	40,000
Regional Roads Signposting	93,000	90,000
R402 Footpaths Edenderry	143,999	140,000
Total	43,978,126	13,381,000

The allocations to the different categories of roads are given below, including Revenue allocations.

Category	Estimate 2010 €	Rate Levy €	Grant €
National Primary Upkeep	150,000		150,000
National Primary Improvement	Nil		Nil
National Secondary Upkeep	640,000		640,000
National Secondary Major Schemes	3,500,000		3,500,000
National Secondary Improvement	500,000		500,000
NP/NS- (Tr. Calm/Acc Remedial)	150,000		150,000
Non-National Improvement	1,180,000		1,180,000
Non-National High/Low Cost Accident Remedial Measures	70,000		70,000
Regional Road Upkeep	500,000	10,000	490,000
County Road Upkeep	1,000,000	1,000,000	Nil
Regional Road Surface Improvement	2,000,000	Nil	2,000,000
County Road Surface Improvement	3,503,000	Nil	3,503,000
Totals	13,193,000	1,000,010	12,183,000

* Totals do not include the following: -

- (a) Allocation of €40,000 NNR Training Grant
- (b) Allocation of €90,000 Regional Roads Signposting

Issues for Roads in 2010

1. **Reduction in County Roads Maintenance allocation by approximately 23% from €1,303,740 in 2009 to €1,000,000 in 2010: -**

This reduction will have a severe effect on the maintenance of the 1575 Kms. of County Roads resulting in a much reduced level of service in relation to drainage, pothole repair, footpath maintenance and repair, winter maintenance, street and gully cleaning and signing/lining etc.

2. **Winter Maintenance: -**

The 2008/09 winter period was very severe and resulted in Offaly County Council gritting the National and various Regional Roads in excess of 40 nights over the 6 month period from November to April. This costs approximately €8000 per night and resulted in a total over-expenditure in excess of €70,000 for the season. A similar winter over 2009/10 would again be a major drain on our financial resources.

3. **Specific Improvement Grants on NNR 2010**

The Specific Improvement Grant was cut in 2009 from €2,140,000 to €1,180,000 (45% reduction). Applications were submitted for 2010 to the value of €1,180,000 for the following schemes: -

- Banagher Relief Road
- Cloneygowan By Pass
- Edenderry Relief Road
- Portarlington Inner Relief Road
- 9 Bridge Improvement Works on NNR

4. **Low Cost Accident Schemes for National and Non-National Roads and Traffic Calming Schemes for National Roads**

Schemes have been submitted to the NRA and DOT at the following locations:

Non National Roads - Ballickmoyler Junction, Shinrone, Ballyfore Cross Roads, Hill Road Banagher, Newtown Killeigh, Ballyatty Coolderry, Rhode Bridge, Harbour Road Banagher, Convent Road Tullamore, Kinnity National School, Enaghan Walsh Island, Lahinch Junction Clara, Derries, Five Roads, Toberleheen.

National Roads - Kilcormac Pedestrian Improvements, Kilcruttin Pedestrian Improvements Tullamore, Chapel lane Birr, Scrub Cross Killeigh, Blackbull, Arden Road Pavement Tullamore, Birr Road Cloghan, Military Road Birr, Woodfield Clara, Derrybeg Killeigh, Doon Traffic Calming, Tubber Traffic Calming.

5. **Major Schemes on National Roads**

The completion of the Tullamore By Pass and the progressing of the planning and design of the Tullamore to Kilbeggan Link.

6. **Restoration Improvement/Maintenance/Discretionary Grants for NNR**

The Restoration Improvement Grant - **RIG** (3 Year Programme – overlays/strengthening etc) was cut by 32% in 2009 from €5,369,000 to €3,648,000. The 2010 estimate is based on the €3,648,000 figure.

The Restoration Maintenance Grant - **RMG** (Surface Dressing) was €1,855,000 in 2009 and this is the same figure that is included in the 2010 estimate.

The Discretionary Improvement Grant - **DIG** was cut from €546,000 to €273,000 (50% reduction) in 2009. The 2010 estimates includes for a DIG of €273,000.

