

COMHAIRLE CHONTAE UÍBH FHAILÍ

MINUTES OF INCOMMITTEE BUDGET MEETING OF OFFALY COUNTY COUNCIL

HELD IN ÁRAS AN CHONTAE, TULLAMORE
ON MONDAY, 14TH DECEMBER 2009 AT 2.00 P.M.

PRESENT: Cllr. N. Bourke (Presiding), Cllrs. M. Buckley, J. Butterfield, J. Carroll, P. Clendennen, B. Cowen, D. Dolan, E. Dooley, S. Dooley E. Fitzpatrick, J. Foley, C. Hanniffy, N. Hogan, T. McKeigue, J. Leahy, T. McLoughlin, S. Moylan Ryan, P. Ormond, D. Owens, G. Plunkett and L. Quinn

IN ATTENDANCE: Mr. P. Gallagher, County Manager, Mr. D. Conlon, Head of Finance, Mr. M. Roche, D.O.S., Mr. S. Murray, D.O.S., Mr. F. Heslin, D.O.S., Mr. D. Kirrane, D.O.S., Mr. T. Mawe, Financial Management Accountant, Mr. D. Mahon, SEO, Mr. H.O'Donoghue, HIS, Mr. E. O'Ceilleachair, CFO, Mr. T. Shanahan, SE, Ms. M. Cleary, Meetings Administrator, .

INTRODUCTION

The Cathaoirleach welcomed members and informed them that the Corporate Policy Group had met on Thursday 10th December 2009 to discuss the Draft Budget proposals. He advised that the Local Government Fund had not been communicated to the Council at that time and that the Draft Budget circulated was based on a 10% reduction in the Local Government Fund. He advised that the County Manager had received notification earlier today that the Local Government Fund for 2010 had been provisionally reduced by 5%. He invited the County Manager to introduce the Budget proposals and the Head of Finance to highlight the significant areas from the Budget Report.

The Manager set out the timeframe for the adoption of the Budget and noted that the process of considering and adopting the Budget must be concluded within the prescribed period of 21 days, i.e., 11th January 2010. He advised that the Draft Budget circulated to members on Friday, 11th December 2009 was based on an estimated 10% reduction in the Local Government Fund. He had, however, received the allocation from the Department of the Environment Heritage and Local Government (DEHLG) earlier in the morning and that the Council's allocation for 2010 is €15,388,672, i.e., a reduction in the region of 5%. He expected that the Local Government Fund included the special water allocation that the Council, in previous years, received from the DEHLG in a separate allocation. He also advised that the staff pay reductions announced by the Minister of Finance on 9th December will be apportioned - 35% to the Exchequer and 65% to the Local Authority. He estimated that this would make approximately €600,000 available to the Council's Budget. He drew the members attention to the correspondence circulated at the meeting advising them of the Department's allocation and the proposed restoration of funding to various services.

The County Manager noted:

- The impact on service delivery as a result of reduced finances and human resources;
- The requirement to re-prioritise service delivery having regard to increased demands for some services, the overall reduction in resources and the need to mitigate against legal liability;
- The measures taken to reduce the Council's payroll charges e.g. non-filling of posts, overall staff numbers were reduced by 55 in the past year, 19 staff on maternity leave were not replaced, severe curtailment of non-basic pay, non payment of the *Towards 2016* agreement and performance related pay;
- While the exchequer had benefited from payment cuts to date the DEHLG had advised that 65% of the payroll cuts effective from 1st January 2010 would remain with the Council;
- Payroll savings were frontloaded in 2009 and accordingly it would not be possible to attain the same level of payroll savings in 2010;
- The number, complexity and extent of legislation that had been introduced since the enactment of the Local Government Act, 2001 including the promotion of local community interests, development of SPCs, Area Committees and Joint Policing Committees, Official Language Act, extensive Health and Safety, Water, Waste Water, Environmental, Procurement and Employment legislation.
- The Draft Budget proposed no increase in rates. However, he cautioned that some commercial valuations are currently being appealed and the outcome of these appeals may adversely impact on income from rates;
- The members had deferred a decision on the *Draft Plan for Fire and Emergency Operations* until the 2010 Budget meeting. The Draft Budget included a sum of €3.3m, i.e., the same figure as the adjusted 2009 allocation. The majority members' proposal, submitted at the November meeting, was currently being evaluated. However, he advised, that any Plan adopted would have to have regard to health and safety requirements and available finances;
- Efficiencies introduced during 2009 include: the introduction of a single payroll/HR computerised system for all Offaly Local Authorities; centralisation of certain financial functions and co-ordination of housing capital projects; and planning services between Tullamore Town Council and Offaly County Council will be further co-ordinated from January 2010;
- He had regard to the issues raised at the CPG budget meeting. The supplementary Budget Report, circulated at the meeting, outlined the services that he now proposed to restore funding to in the sum of €1,220,799;
- The €4m savings implemented in July 2010 would carry forward into 2010;
- Development levies, planning and landfill income had reduced more than anticipated in 2009;
- Payments with regard to consultants, plant hire, advertising etc. continued to be reduced and monitored.

The County Manager thanked the staff for their commitment and flexibility during the year. He thanked the CPG and the members for their support. He cautioned the members to adopt a prudent Budget for 2010 as there may be a directive later in 2010, as in 2009, advising that the provisional Local Government Fund was being reduced further. He advised that Local Authorities are required by law to adopt a budget that is sufficient to meet their proposed expenditure. The Manager commended the Draft Budget to the Council.

Mr. D. Conlon, Head of Finance noted that:

- The Council does not have a financial deficit to date;
- The total income resulting from the Government's decision to allocate 65% of the staff payroll cut to the Local Authorities could not be accurately calculated until the Finance Bill was finalised;
- The re-assignment of staff salaries during the year may cause difficulties when comparing 2009 and 2010's Budget;
- There is no proposed increase in rates for 2010;
- The main balancing actions that were required to balance the Draft Budget 2010 as outlined in his report. He advised that some of these actions, following the notification of the Local Government Fund, were reversed and that these changes are outlined in the County Manager's report, dated 14th December 2008, circulated at the meeting;
- It is proposed to continue to provide the CPG and members with bi-monthly financial reports in 2010.

The elected members held a wide-ranging discussion on the Draft Budget and supplementary reports and raised a number of items by way of question and clarification.

The County Manager thanked the members for their consideration of the Draft Budget 2010 and supplementary reports. The Management Team gave the following responses to questions raised by the members:

- Public lighting: it was hoped that greater efficiencies and cost savings could be achieved following a public procurement process which will commence in early 2010;
- Rates: The Valuation Office had advised that general re-valuations were carried out in South Dublin and Fingal but that it is not anticipated this will be carried out in other counties. Offaly County Council had benefited from a number of recent valuations and the overall increase in rateable properties is 134. However, the Management Team cautioned that a number of valuations are currently under appeal and that any downward assessment of these valuations would impact on the Council's finances. The income from Rates for 2009 could not reasonably be ascertained until 31st December 2009;
- Flooding Emergency: In response to an invitation from the DoEHLG to recoup costs of responding to recent flooding, the Council had sought €50,000 for Council works relating to actual damage involved. Mr. Heslin noted that individuals could also claim for expenses incurred and that no information with regard to the allocation of the additional €100m announced had been received to date;
- Fire Services: The €3.3m provided in the Draft Budget provided for the implementation of the *Draft Plan for Fire and Emergency Operations*. Additional resources would be required if the eight (8) fire stations were to be retained and/or if the majority's proposal, tabled in November, was implemented. The Trade Unions had sought further information with regard to this proposal. Mr. F. Heslin advised that he had further meetings with staff on the matter later in the week. It was recognised by all parties that a decision on this matter was required to allow the Budget to be finalised and the Management Team agreed to seek clarification with regard to the Trade Union's position and to furnish specific costs with regard to the majority's proposal for the next meeting;
- Drainage: The Barrow Drainage Board had advised the Council that its Drainage Demand for 2010 would be reduced. The Manager acknowledged that there may be a requirement for the development of a Drainage Plan and suggested that funding provided for community initiatives in 2010 could be assigned to this work;
- Tourism: Fáilte Ireland is involved in marketing the midlands region and in creating an international brand for the region. The Council provided funding for this *Lakelands*

and Waterways promotion. The proposed reallocation allows the Council to support and fund local applications;

- Community and Enterprise Development Budget: The budget allocated consisted primarily of salaries for community and enterprise staff. The Economic Development Officer liaises with all the enterprise agencies including Enterprise Ireland, IDA and Shannon Development and manages the Council's Business Parks and lands;
- Official Languages Act: In accordance with the Act all documents, including draft documents, placed for public consultation are required to be translated into Irish. The County Manager advised that he had in 2009 deferred the translation of the County Development Plan 2009-2015 which was estimated to cost in the region of €30,000;
- Traveller Accommodation: The Traveller Accommodation Programme had been adopted by the members in 2009. The provision in the Draft Budget provides for relevant staff costs and the implementation of the Traveller Accommodation Programme;
- Coroners Fees: The rate of pay and level of activity for Coroners increased during 2009;
- Broadband: expenditure on revenue accounts were being re-allocated to capital expenditure. The Edenderry project is almost complete. The Department of Communications has responsibility for the expansion of broadband;
- Health and Safety: The Council is obliged to appoint a competent person to the role of Health and Safety Officer and that this would be arranged following the termination of the temporary contract of employment;
- Higher Education Grants: The Government decision to assign the processing of HEG to the VECs had not yet been implemented. While the grants were a contra item in the Budget the Council is obliged to meet the administration costs involved;
- Housing Maintenance: The Executive did not agree a proposal to reallocate the funds provided for housing maintenance to the Disable Persons Grants advising that the housing maintenance funds had been significantly reduced in recent years;
- Building Energy Ratings: Mr. S. Murray advised that the requirement to have zero carbon emissions by 2016 was possibly unachievable. He advised that the significant costs involved would be borne by the Council.
- Arts Grants: the funding restored to this programme would provide for the restoration of approximately 80 grants to individuals/groups.
- Water and Environment Services: General deductions taken to balance the Draft Budget are being partially restored. The onerous obligations with regard to compliance in these areas were highlighted. It was also noted that many areas of the legislation in these areas provided for criminal prosecution;
- Water Demands: In excess of 1600 invoices issued in 2009. Queries were received on approximately 25% of the invoices. These related mainly to domestic allowances and usage;
- Veterinary Budget: Much of the monies spent in this service are recoupable from the Food Safety Authority;
- Landfill Income: The income estimated in 2009 was based on the Council's application to the EPA and An Bord Pleanála to increase the tonnage that could be dealt with at the site. The application to the Bord was not approved and accordingly the income had not been realised. Mr. M. Roche advised that operational overheads had been reduced and that the fees charged were comparable with other Local Authority landfills. He noted that there is a surplus of landfill sites nationally;
- NPPR: It is estimated that €300,000 will be received in 2009. However, this income only helps to mitigate the approx €500,000 that was deducted from the Council's Local Government Grant in July 2009. It is unclear as to the assignment of funds raised from NPPR in 2010;
- Day of Protest: Approximately €50,000 to €60,000 fell to be deducted from payroll costs.

Draft Plan for Fire and Emergency Operations

A discussion on the *Draft Plan for Fire and Emergency Operations* ensued. A number of the members spoke on the issue and proposed that the Executive implement the majority's November proposal. They suggested that the necessary savings could be achieved and thereby allow eight (8) stations to remain operational within the €3.3m budget if the following initiatives were implemented: reduced number of fire fighters in certain brigades; reduce the numbers called to respond to road traffic accidents; reduce the number of fire safety drills; and introduce a roster system. Cllr. T. McKeigue advised that the Fine Gael members were supporting the retention of eight (8) fire stations and that the number of fire fighters employed was a matter for the Executive. Cllr. E. Dooley recommended that no additional funds be provided to the fire service and that, if necessary, decisions on the Budget should be deferred until all the information and fire service costing were agreed. The Cathaoirleach summed up the discussion advising that the Council could not compromise on Health and Safety of fire fighters or the general public, suggested that a unanimous decision was preferable and that the members should arrange to meet in committee again on Monday 21st December at 10am to discuss the matter again when the Trade Union position might be available to aid their deliberations.

Mr. F. Heslin reiterated that five (5) fire fighters is the very minimum number that could attend any call out, the Draft Budget of €3.3m only provided for the five (5) stations and Portarlinton, and that a considerable additional budget would be required to keep eight (8) stations operational. He advised that he was meeting with the Trade Unions and staff later in the week to try progress the issue and that he is available to meet with any group or individual member to discuss the matter in the interim.

The Manager advised that the proposed Budget would be re-examined to ascertain if any further savings could be achieved. He reiterated that he was not prepared to compromise on health and safety and that management would seek to get a response from the trade union before the statutory meeting.

This concluded the business of the meeting.

MINUTES CONFIRMED:

CATHAOIRLEACH

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15TH FEBRUARY 2010