

COMHAIRLE CHONTAE UÍBH FHAILÍ

**MINUTES OF STATUTORY BUDGET 2014 MEETING
OF OFFALY COUNTY COUNCIL**

**HELD IN ÁRAS AN CHONTAE, TULLAMORE
ON MONDAY, 16TH DECEMBER 2013 AT 2.00 P.M.**

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| PRESENT: | Cllr. P. Ormond (Presiding), Cllrs. N. Bourke, M. Buckley, J. Butterfield, J. Carroll, P. Clendennen, D. Dolan, E. Dooley, S. Dooley, E. Fitzpatrick, J. Foley, C. Hanniffy, N. Hogan, J. Leahy, T. McKeigue, T. McLoughlin, S. Moylan-Ryan, D. Owens, G. Plunkett, L. Quinn and P. Rowland. |
| IN ATTENDANCE: | Mr. P. Gallagher, County Manager, Mr. D. Kirrane, D.O.S., Mr. S. Murray, D.O.S., Mr. D. Conlon, H.O.F., Mr. F. Heslin, D.O.S., Ms. M. Cleary, Meetings Administrator, T. Mawe, Financial Management Accountant, Mr. T. Shanahan, S.E., Mr. D. Mahon, S.E.O., Ms. M. Stuart, Co. Librarian and Ms. F. Flaherty, C.O. |

BUDGET 2014:

Cllr. S. Moylan-Ryan, Cathaoirleach opened the Statutory Budget meeting noting that the Draft Budget was considered during the In-Committee Budget meeting held earlier that morning. She invited the County Manager to introduce the Draft Budget 2014.

The County Manager drew the members' attention to the main points in his report which was included in the Draft Budget 2014 booklet. He noted the challenging budgetary environment in which the Council has operated since 2008 alluding to the significant decrease in income available to the Council, not only from the Local Government Fund (LGF), but also from other sources. He outlined the major changes that will take place with Offaly Local Authorities during 2014 as a result of the implementation of the government's policy statement '*Putting People First*', the *Local Government Reform Bill 2013*, the *Water Services Act 2013* establishing Irish Water, the enhanced role for local authorities in economic development and enterprise support, changes to Local Government Structures (including the establishment of three Municipal Districts (Birr, Edenderry and Tullamore)), Regional Governance, Local Government Audit and Local Authority Governance and Management.

The Manager advised that the local government funding model has changed considerably for 2014, making it not possible to directly compare the 2014 General Purpose Grant allocation to Offaly County Council (of €6,663,642) for the Local Government Fund with such allocations in previous years. The factors impacting on the funding model were cited as:

- Replacement of the Household Charge by the Local Property Tax (LPT) from 2013;
- Liability for LPT on local authority-owned social housing from 2013;
- Termination from 2014 (except for arrears) of income from the Non-Principal Private Residence (NPPR) Charge (the loss of which has been taken into account in framing our 2104 LGF allocation);
- Re-apportionment nationally of the income from Motor Tax;
- Establishment of Irish Water and the funding of that organisation to deliver services (through local authorities) until it gets to market and commences charging for domestic water;
- The planned abolition of the Town Councils in 2014 and the merger of their finances with those of the County Council.

The County Manager advised that the General Purpose Grant allocation notified to Offaly

County Council in the sum of €6,663,642 was a County-at-Large allocation and that he was recommending to the members' that the Town Councils of Tullamore and Birr be granted the same General Purpose Grant as they had received the previous year. He informed the members that the Council had received an allocation in the sum of €10,126,000 from Irish Water for the provision of water services in accordance with the Service Level Agreement (SLA).

The County Manager advised that, for the sixth successive year, he was not recommending an increase in commercial rates and informed the members that Offaly's rate multiplier continues to be one of the lowest in the country.

The County Manager concluded his remarks by stating that he was glad to report to the Council that the overall level of income available for 2014 from the LGF General Purposes Grant and from Irish Water shows no material change from that available to the Council from the LGF for 2013 and accordingly there is no material change in the overall draft budget proposed for 2014.

The members thanked the County Manager for his report and on the proposal of Cllr. E. Dooley, seconded by Cllr. J. Leahy, the members agreed to adjourn in order to resume the Meeting In-Committee for a 30 minute period.

The press left the Chamber and the meeting continued In-Committee.

Cllr. E. Dooley proposed that an additional €100,000 be allocated towards pre-letting repairs. He recommended that these funds be allocated from the changes to income and expenditure budgets outlined as follows:

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| - Increased income from Housing rents | €6,000 |
| - Reduce G0405 Other Animal Welfare Services (incl. Horse Control) | €10,000 |
| - Reduce G0505 Contribution to VEC | €4,000 |
| - Reduce H0301 Administration of Rates Office | €10,000 |
| - Reduce H1001 Motor Taxation Operation | €10,000 |

The County Manager informed the meeting that the allocation from Irish Water was received on Friday, 6th December. However, the Local Government Fund was only received on Thursday evening, 12th December. He drew the members' attention to S.102 and S.103, *Local Government Act, 2001* and in particular to S. 103(2) and S. 103(9). He advised that the members' should satisfy themselves that they have been afforded an appropriate opportunity to consider the Budget. He noted that the prescribed period provided that the Budget must be adopted within 21 days from today's date. The members' considered the Manager's comments and a discussion ensued. On the proposal of Cllr. E. Dooley, seconded by Cllr. P. Ormond, the members agreed to consider the Budget further during the Statutory Budget Meeting and to re-convene at 10am on Friday, 20th December to continue their deliberations.

The Statutory Budget meeting resumed in public at 2.50pm.

The Cathaoirleach thanked the member of the press for his patience and invited the Head of Finance to outline the significant issues in the Draft Budget 2014.

Mr. D. Conlon, Head of Finance reiterated the County Manager's recommendation that the Local Government Fund be distributed to the Town Councils on the same basis as their previous year allocation, i.e., allocate €78,613 to Tullamore Town Council and €25,609 to Birr Town Council. The balance of the LGF, i.e., €6,663,642 will therefore, he advised, apply to Offaly County Council. He drew the members' attention to Table A – calculation of the Annual Rate of Valuation for the Financial Year 2014. He then proceeded to detail the main issues in the various Division, Services and Sub Services as presented in Table F.

Mr. D. Conlon, HOF advised the meeting that an accumulated deficit circa €5.5m is anticipated for the end of 2013. He noted that the members' had agreed to amortise this deficit over a ten year period and that a provision of €60,000 had been agreed for 2013. He advised that he was

proposing to revise the annual deficit provision to €50,000 and that the balance, i.e., €10,000 would be included in 2014 as a provision for gratuities. He highlighted the cash flow difficulties posed by the deficit and stressed that the deficit should be addressed in as quick a manner as possible.

Mr. D. Conlon, HOF drew the members' attention to the *Capital Budget 2014-2016* and to the *Development Contribution Report 2014*. He noted that the Capital Budget has been reduced in scale due to the establishment of Irish Water and advised that the requirement for a capital budget in the sum of €8m is outlined for a three year period.

On the proposal of Cllr. L. Quinn, seconded by Cllr. P. Rowland, the members resolved to suspend the commencement of the Ordinary Meeting, scheduled to commence at 3.30pm, until the conclusion of the Statutory Budget Meeting.

The Cathaoirleach thanked Mr. D. Conlon, HOF for his report and invited the members to comment on the Draft Budget 2014. She advised that if they did not agree with a suggested budget allocation that they should identify where the required funding, i.e., decrease in expenditure and/or increase in income, could be sourced.

A lengthy discussion ensued during which the members welcomed the fact that it was the first Budget for this Council that the Manager was not proposing a number of reductions to various expenditure codes. The members sought clarification on a number of areas including: the water service functions that are transferring to Irish Water; Housing Adaption Grants; Homelessness supports; Fire Services; Loan Charges; Overdraft facility; Agriculture pensions; Higher Education Grants; Contribution to VEC's; procurement issues for local suppliers; County Roads; Land Drainage; County Demand; Tourism promotion; Drainage Boards; Machinery Yard; shortfall in Capital fund; shared services and Forward Planning expenditure.

The members sought further information with regard to the Municipal Districts and the financial arrangements that may apply and the manner by which it is proposed to harmonise rates.

Cllr. T. McKeigue's proposal to reduce the Cathaoirleach's allowance by €5,000 and to allocate this sum to the Leas Cathaoirleach was not supported by a number of members.

Cllr. E. Dooley proposed that €100,000 be allocated to housing pre-letting repairs. He advised that he would consider this matter further and inform the meeting at a later time as to the manner that this sum could be attained.

In responding to questions raised the County Manager and Management Team advised that:

- The approach agreed by the members in 2013 to the delivery of the Housing Adaptation Grants had been successful and had resulted in an increase in the number of Housing Adaptation Grants being awarded, noting that the focus was on essential repairs;
- The legislation currently being considered by the Dáil does not provide for the transfer of Wastewater Treatment Plants to Irish Water;
- The Council is mindful that it must at all times seek to maximize the value of its property;
- The Council had received notification that the Land Aggregation Scheme was ceasing and that this will have implications for the Authority in the future;
- The Budget identified €30,000 for drainage works;
- The *Local Government Reform Bill, 2013* sought to harmonise rates over a ten year period. However, the Manager advised that some Council's may decide to do so in a shorter timeframe;
- The *Local Government Reform Bill, 2013* provided that some budgetary authority would be delegated from the County Council to the Municipal Districts;
- The various timeframes with regard to the adoption of Development Plans made it difficult to achieve further savings;
- The configuration of Regional Authorities is still under consideration;
- The number of Higher Education Grants is reducing but they will continue to be

- administered, on a reducing scale, by the Council for the next three to four years;
- The County Demand, similar to the LGF, has been maintained in the same manner as 2013;
 - On-going costs will continue with regard to the aftercare required in Derryclure landfill;
 - Even when costs have been awarded to the Council in enforcement actions the Council continues to experience difficulties in attaining these legal costs;
 - Standard Operating procedures and Health and Safety training must be provided to Fire personnel and the increase in the Training Budget was being achieved through savings in other areas of the programme;
 - The future of Drainage Boards is a ministerial matter.

The Cathaoirleach thanked the members for their consideration of the Draft Budget 2014 and the Executive for their comprehensive responses.

On the proposal of Cllr. E. Dooley, seconded by Cllr. P. Ormond, the members agreed to suspend the Statutory Budget meeting until 10am on Friday, 20th December 2013.

This concluded the business of the meeting.

MINUTES CONFIRMED: _____

CATHAOIRLEACH

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27th JANUARY 2014