



**Minutes of Statutory Budget Meeting of Offaly County Council**  
Held on 21<sup>st</sup> November 2022 at 2.00 pm, in Áras an Chontae, Charleville Road,  
Tullamore and via Zoom

The Meetings Administrator carried out a roll call to confirm attendance

**Present**

Cllr. Frank Moran Cathaoirleach

Cllr. John Carroll	Cllr. John Leahy
Cllr. Clare Claffey	Cllr. Tony McCormack
Cllr. John Clendennen	Cllr. Sean O'Brien
Cllr. Noel Cribbin	Cllr. R. McDermott
Cllr. Eamon Dooley	Cllr. Peter Ormond
Cllr. Neil Feighery	Cllr. Danny Owens
Cllr. Eddie Fitzpatrick	Cllr. Ken Smollen
Cllr. John Foley	
Cllr. Mark Hackett	
Cllr. Declan Harvey	

**Apologies**

Cllr. Liam Quinn

**Officials in Attendance**

Ms. A. Delaney, Chief Executive; Mr. T. Shanahan, D.O.S.; Ms. S. Kennedy, D.O.S.; Mr. S. Duclot, D.O.S.; Mr. M. Connolly, H.O.F.; Mr. T. Mawe, F.M.A.; Mr. E. Fennell, S.E.O.; Mr. G. Bruton, Meetings Administrator; Mr. C. Kelly, S.O. and Ms. L. Carbery, C.O.

## 1. Draft Budget 2023

Ms. A. Delaney, C.E. brought the members attention to the Draft Budget 2023 and the Capital Budget 2023-2027, as circulated with the agenda. She informed the members that the draft budget has been prepared in the context of increased service demands, increasing budget requirements, particularly energy costs, interest rates and the national pay agreement. The draft budget provides comprehensive service across communities and match funding for projects.

She highlighted that Central Government have provided a national fund of €60m to assist Local Authorities with increased energy costs and further funding for the cost of the national pay agreement. The Department of Housing, Local Government and Heritage confirmed that funding of €1.7m will be provided in compensation for the loss of rates income due to closure of Shannonbridge. She advised the members that there is on-going engagement with Government to provide a permanent solution to compensate for the loss of rates from Shannonbridge.

She highlighted the significant increase in the rates income in the Draft Budget 2023, realised through the upcoming commissioning of an infrastructure development and that there is no proposal to increase the annual rate on valuation. She welcomed the members approval of the Local Property Tax (LPT) maintenance of 15% increase, for 2023 & 2024, noting it will result in €661,505 in additional revenue to be allocated for match funding to countywide projects of scale.

She noted that due to the economic uncertainty nationally and globally, €50,000 has been provided for the Revenue Account deficit provision for 2023, this provision will be kept under review and re-addressed in budget 2024. She advised the members of the provision of €150,000 to offset loan repayments for the Arts Centre development in Tullamore, which is currently underway and a provision has also been made for an operational budget for the Centre. There is additional funding of €169,000 for County Road Maintenance in 2023, the General Municipal Allocation is maintained, provision for the national pay agreement and the match fund budget of €350,000 has also been maintained. Additional €120,000 in funding has been provided for Housing services and funding for climate action measures and an allocation for cyber security measures. She noted that the Housing capital projects are making good progress.

Ms. A. Delaney noted that a balanced budget which is contingent on Government supports as outlined will allow the Council to continue to provide its range of services across the county and she recommended the Draft Budget for 2023 to the members for their approval.

Mr. M. Connolly, H.O.F. read the summary of the Draft Budget 2023 from Table A as below:

TABLE A - CALCULATION OF ANNUAL RATE ON VALUATION FOR THE FINANCIAL YEAR 2023 - PREALLOCATION								
Offaly County Council								
Summary by Service Division	Expenditure €	Income €	Estimated 2023 Net Expenditure €	%	Expenditure €	Income €	Estimate Net Outturn 2022 Net Expenditure €	%
Gross Revenue Expenditure & Income								
A Housing and Building	12,244,075	12,972,012	(727,937)	-2.9%	11,472,906	12,191,692	(718,786)	-2.8%
B Road Transport & Safety	19,209,290	15,143,029	4,066,261	16.2%	18,783,581	15,314,236	3,469,345	13.7%
C Water Services inc Irish Water Agency	3,528,693	5,089,750	(1,561,057)	-6.2%	3,362,434	4,771,553	(1,409,119)	-5.6%
D Development Management	10,220,859	5,566,761	4,654,098	18.5%	9,285,636	4,995,357	4,290,279	17.0%
E Environmental Services	7,485,955	2,325,798	5,160,157	20.5%	7,014,327	2,238,135	4,776,192	18.9%
F Recreation and Amenity	3,464,083	133,733	3,330,350	13.3%	3,396,481	383,150	3,013,331	11.9%
G Agriculture, Education, Health & Welfare	558,498	228,437	330,061	1.3%	540,910	228,437	312,473	1.2%
H Miscellaneous Services	6,955,705	8,882,698	(1,926,993)	-7.7%	6,729,714	5,834,760	894,954	3.5%
J Central Management Charge	12,531,312	734,042	11,797,270	47.0%	11,357,070	724,527	10,632,543	42.1%
	76,198,470	51,076,260	25,122,210	100%	71,943,059	46,681,847	25,261,212	100%
Provision for Debit Balance	50,000		50,000		50,000		50,000	
Adjusted Gross Expenditure & Income	76,248,470	51,076,260	25,172,210		71,993,059	46,681,847	25,311,212	
Local Property Tax/Equalisation Fund			8,317,793				8,401,722	
Amount of Rates to be Levied	C=(A-B)		16,854,417				16,909,490	
Net Effective Valuation	(D)		76,692,035				76,942,512	
General Annual Rate on Valuation	(C)/(D)		0.2198				0.2198	

Mr. M. Connolly informed the members that the framing of the 2023 budget has been extremely challenging given the impact of the cost of living crisis, the war in Ukraine and the ongoing challenges associated with our emergence from COVID-19 global pandemic on both the national and international economy. The 'cost of doing business' has increased dramatically for Offaly County Council in the last

twelve months and inflation remains stubbornly high at circa 9% in the twelve months to June. There is huge uncertainty in relation to the economic environment that people and businesses in Offaly face for the remainder of 2022 and into 2023.

He acknowledged that the decision taken by the ESB to cease the production of power at Shannonbridge continues to pose a very significant risk to the commercial rates income. He welcomed the funding provided by the government since 2021 to offset the impact of this closure and he agreed that a long-term solution to this issue is required.

He highlighted that further uncertainty in the economic outlook with the impact of Brexit and the issues arising for some ratepayers around the decarbonisation agenda. The increase in borrowing costs has had a negative impact on Offaly County Council's expenditure budget with a very significant provision required in Budget 2023 due to the strong upward trend in interest rates. He highlighted that, with all the uncertainties the main focus of Budget 2023 is to maintain spending at 2022 levels and also to allow for some targeted expenditure increases.

He highlighted the significant uncertainty in relation to the economic environment that people and businesses in Offaly face for the remainder of 2022 and into 2023 and notwithstanding the very significant Central Government support provided to businesses and citizens, the effect of these very real and tangible cost increases will have an impact right across the county.

He advised the members that Government have created a central fund to the value of €60m to help local authorities deal with energy inflation in 2023, based on usage from 2021 and 2022. He welcomed the support from the Department noting it will go a long way in maintaining service levels in 2023.

He welcomed the approval by members to retain the LPT rate for 2023 and 2024 at 15% to provide an additional €661k of funding for ring-fenced projects of scale in the county. He noted the General Municipal allocations maintained for each Municipal District and there is provision in the draft budget for the re-evaluation of rates appeals. He further noted that there is no proposal to increase rates for commercial businesses and the commissioning of the Cloncreen Wind Farm will provide increased rates income in 2023. He advised that it is important to consider raising the rates in the next few years. He informed the members that €500,000 has been provided in the draft budget for anticipated additional interest on the Council's non-mortgage borrowing for 2023.

He outlined the estimated sources of funding consisting of grants and subsidies, goods and services, rates, LPT and Irish Water and the estimated gross expenditure. He highlighted that only 9% of our expenditure is discretionary. He presented the members with the details of the balanced budget, noting certain features as outlined below:

- Provision of €500,000 to fund additional interest rate costs on Offaly County Council Non-Mortgage borrowings.
- Rent review proposed in line with the rental scheme adopted by the members of Offaly County Council, is anticipated to raise a significant portion of the income to be reinvested in Housing services for 2023.
- The expenditure increases on services of recent years are maintained, with additional funding for county roads of €150,000, this allocation is funded from an actual surplus of NPPR income over budget in 2022. He noted that only a fraction of this funding will be available in 2024 and beyond.
- A further €169,000 provided for County Roads from the Revenue Account in 2023.
- The Roads Winter Maintenance Budget for 2023 has received an additional €95,000.

- Income and expenditure levels of national programmes like Roads Funding, Leader, SICAP, etc. have been reviewed and reflect levels of funding being received.
- The additional LPT has been reserved for match funding capital projects of scale in the budget and not applied to general service provision.
- In the current climate of financial uncertainty for citizens, it was felt that any increase in local authority charges like planning fees, parking charges would be unlikely to yield significant additional income.
- The participation in shared services initiatives with the local authority sector has brought many benefits as the sector develops capacity. Increasing costs arising from participation in these services is putting pressure on the budget of the council. This principally applies in shared IT services, Fire services, Roads, Libraries etc.

He noted that following a review of expenditure and incomes, additional funding for increases in expenditure areas as detailed below:

• Additional Housing Front Line Services Expenditure	67,000 (Rent Review 2023)
• Additional Housing Support Services Expenditure	53,000 (Rent Review 2023)
• Additional County Roads Allocation	169,000
• Additional Roads Winter Maintenance Allocation	95,000
• Additional Costs associated with increased borrowing costs	500,000
• Additional Funding for Climate Action	50,000
• Additional Cyber Security Measures	60,000

He noted the Irish Water level of expenditure and income included in the 2023 budget for operation of the services is a contra entry of €4.0m and that the executive recommend retaining the current 100% vacant property rebate. He advised the members the accumulated deficit is now circa €1.6m and given the economic uncertainty in 2022, it is not possible to estimate the impact of these uncertainties on the Offaly County Council's 2022 financial outturn and this uncertainty will continue into 2023. As a result, the draft budget presented shows a provision of €50,000 to continue the amortisation of the accumulated deficit. He informed the members that central revenue collection rates have held up well, however, he cautioned that the cost living crisis will impact families and businesses and finance staff will continue to work with all customers in 2023 to provide resolutions. He advised that the FMS was upgraded in 2022 and finance continue to comply with all statutory requirements. He thanked Mr. T. Mawe and the staff in finance for their diligent work and adaptability in drafting the budget.

Mr. T. Mawe brought the member's attention to the Capital Budget 2023-2027 and to the explanatory tables. He informed the members of the substantial funding amount (€22.637m) that will be required from development contribution income to fund capital projects in the next five years. In the previous four years, 2019 to 2022 inclusive, on average €2,497,000 was received in development contributions each year, arising from the completion of developments that commenced in prior years. Taking into account the current economic conditions and the fact the average in the last few years contained some exceptional payments, €1m is estimated for contributions in each of the next five years.

He highlighted that over the next five-year period the current balance of €8.774m plus projected income of €5.0m (€1.0m x5) will provide a total available for disbursement of €13.774m against a projected requirement of €22.637m giving a shortfall of €8.863m. This anticipated shortfall will restrict Offaly County Councils ability to undertake many capital projects, some projects will be deferred or prioritised, subject to the funds available.

Cllr. F. Moran, Cathaoirleach thanked Mr. M. Connolly and Mr. T. Mawe for their comprehensive report on the draft budget 2023. He welcomed the commitment to Esker Arts, the community swimming pools, forward planning, Town and Village renewal schemes and commended the staff for their work. He noted the large allocation required to support maintenance for social housing.

On the proposal of Cllr. E. Dooley, seconded by Cllr. J. Leahy, the members resolved to adopt the Budget 2023, they welcomed the decision not to raise rates or any service charges and members sought clarity on some areas as outlined below:

- Long-term funding solution for de-carbonisation impact (closure of Shannonbridge powerplant)
- Levies on energy companies
- Rural communities gain from Windfarm locations
- Need for more housing and grants funding and improved Local Government funding model
- Further infrastructural development by Irish Water
- Active travel projects
- Use of glyphosate and non organic herbicides and need for public awareness campaign for biodiversity
- Winter roads maintenance plan
- Possibility of appointing an Irish Language Officer
- Land fill costs
- Update on Birr Distributor Road
- Street cleaning in Edenderry

On the proposal of Cllr. J. Leahy, seconded by Cllr. D. Owens the members agreed to suspend standing orders to continue the Statutory Budget meeting after 3.30pm.

The members welcomed the visit by Minister Darragh O'Brien to the official opening of three new housing schemes in the county and they acknowledged the quality of the houses constructed by the Council. They called for the development of affordable housing in 2023.

In response to the members, queries Mr. M. Connolly confirmed that there is on-going engagement with government to put in place a long-term funding solution to compensate for the de-carbonisation agenda on the Council's finances. He noted the Minister is aware of the special situation for Offaly and Longford and he has committed to looking at a long-term solution. He also informed the members that a general review of local government funding is scheduled for 2023. He clarified that the impact of inflation and the decarbonisation agenda compensation will be considered as part of the review, and he agreed to keep the members updated.

He noted that the housing grants allocation for 2022 have been maxed, including a supplementary allocation received during the year. He confirmed that there is nothing in legislation currently to allow Local Authorities to charge additional rates for energy companies. He noted that expenditure on Water Services is fully recouped from Irish Water. He confirmed that all Covid-19 grants are finished most and expenditure on Covid-19 was recouped, leaving no balance available from this funding. He noted that €5k is ring fenced in the corporate budget to support Irish language and appointing an Irish officer will be reviewed in 2023. He informed the members that there is no time limit for the rates appeal by energy companies and these appeals may end up in the High Court.

Mr. T Mawe updated the members on the NPPR, noting that historically it is collected locally and the new NPPR is paid to Revenue and re-allocated to the Local Authorities. The NPPR charge will expire completely on 1 April 2025.

Ms. S. Kennedy acknowledged the members concerns for housing allocations and grants. She highlighted that the targets set in Housing for All plan projected to be 127% delivered and Offaly County Council social housing units have reached over two thousand units for the first time. She highlighted that a total of 181 new housing units are projected for council owned land, 183 turnkey units and 27 Part V units. She acknowledged that some HAP tenants want to come out of HAP into Local Authority housing but some are happy to remain on HAP and the council will try to accommodate as many as possible. She welcomed Minister Darragh O'Brien's visit and she thanked housing staff and the contractors for their work. She informed the members that the housing schemes currently designed provide a mixture of various unit sizes.

Mr. S. Duclot informed the members that the Derelict Site Act 1990 could be levy up to 7% of market, should be reviewed by the SPC and the Zoned Land Finance Act 2021 to activate land that is serviced, will be in place in February 2024.

Mr. T. Shanahan updated the members on the progress of the Active Travel projects, with 91% in progress and he noted that the projects are multi annual capital projects funded by TII. Many of the projects involve several stages of design, part 8s, procurement and staff resources for this programme are not yet at full capacity. He noted that there is on-going reduction in the use of glyphosate and non-organic herbicides and there have been successful trials in Tullamore. He advised that as part of the Climate Action Programme, a public awareness campaign in 2023, will include information about the use of weed control and biodiversity.

He confirmed that Irish Water is 100% responsible for water infrastructure and a lot of work is ongoing in this area. He noted that staff will have option to return to work with the Local Authority or stay with Irish Water. He noted the Winter Maintenance programme is ready and they are investigating alternative efficient treatments for leachate at the landfill. He noted the consultants are appointed for the Birr Distributor Road and this project should progress in 2024. He advised that street cleaning is part of the overall road maintenance budget and they are trying to improve the technology in this area and he noted the high demand in each Municipal District for street cleaning.

On the proposal of Cllr. T. McCormack, seconded by Cllr. N. Feighery, the members approved that our current 100% vacant rates rebate be retained.

## 2. Capital Budget 2023-2027

On the proposal of

**MINUTES CONFIRMED:**

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**CATHAOIRLEACH**

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**RUNAÍ**

**12<sup>th</sup> December 2022**

