

COMHAIRLE CHONTAE UÍBH FHAILÍ

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

**HELD IN ÁRAS AN CHONTAE, CHARLEVILLE ROAD, TULLAMORE ON
MONDAY 15TH NOVEMBER 2021 AT 2.00 P.M.**

PRESENT:	Cllr. D. Harvey, Cathaoirleach, Cllrs. J. Carroll; C. Claffey (R), J. Clendennen (R), N. Cribbin, E. Dooley (R), N. Feighery, E. Fitzpatrick, J. Foley, M. Hackett (R), J. Leahy (R), T. McCormack, R. McDermott (R), F. Moran (R), S. O'Brien (R), P. Ormond (R), D. Owens (R). Cllr. L. Quinn (R) and K. Smollen (R)
IN ATTENDANCE:	Ms. A. Delaney, Chief Executive; Mr. T. Shanahan, D.O.S. (R); Ms. S. Kennedy, D.O.S. (R); Mr. S. Duclot (R); Mr. M. Connolly, H.O.F.; Mr. T. Mawe, F.M.A., Mr. G. Bruton, Meetings Administrator and Ms. L. Carbery, C.O. (R)
SUSPENSION OF STANDING ORDERS	<p>Cllr. D. Harvey expressed a vote of sympathy to the family of former Offaly County Councillor Mr. Alan Davy.</p> <p>On the proposal of Cllr. J. Carroll, seconded by Cllr. E. Fitzpatrick, the members resolved to suspend Standing Orders to allow a short adjournment in his memory.</p> <p>Ms. A. Delaney on behalf of staff expressed her condolences to the Davy family and she commended the interest Cllr. Davy had taken in the Special Olympics.</p>
DRAFT BUDGET 2022	Ms. A. Delaney, C.E. brought the members attention to the Draft Budget 2022 and the Supplementary Directorate Reports circulated for their consideration. She informed the members that essential services continue to be provided and she welcomed their on-going support. She noted that the Draft Budget for 2022 has been prepared in the context of increased service demands, such as increasing budget requirements and ability to provide match funding for projects, together with the challenges associated with the de-carbonisation agenda and the Covid-19 pandemic. She acknowledged that 2021 has been a very challenging year taking into account the acceleration of the de-carbonisation agenda and closure of Shannonbridge power plant. This had resulted in a serious loss of commercial rates and she welcomed €1.7m funding provided from the Department in lieu of this rate loss with discussions on-going to find a long term solution to the loss of income.

She advised the members that they are working with the Department to provide support to meet the ongoing challenges faced by the Council as it continues to deal with the Covid-19 pandemic, but subvention for this has not been finalised to date. She outlined the range of Covid-19 supports to businesses that have been put in place including the Restart Grants, Small Business Grants (SBASC), along with a suite of initiatives and supports from the Local Enterprise Office. She noted that Government funding has also been made available to local businesses, through the Council, via the Rates Waiver Scheme which has provided a 100% waiver of commercial rates for qualifying businesses right through 2021.

She thanked the members for their commitment shown at the July Meeting of Offaly County Council when they agreed to maintain the Local Property Tax (LPT) increase of 15% for 2022, bringing €742,886 in additional revenue, to be allocated as match funding to countywide projects. This ongoing commitment continues to provide funding for projects and will be ring-fenced for 2022, with oversight by the Corporate Policy Group. A report will be prepared to account for expenditure incurred. This investment would enable the economic recovery of the county. €50,000 has been provided for the Revenue deficit provision for 2022, as in 2021. She noted that significant progress has been made in tackling the cumulative revenue deficit and in managing the finances of the Council in recent years. She expressed her hope that the cumulative revenue deficit can be further reduced in 2021, but this will depend on the budget out-turn at year end.

She informed the members that Budget 2022 also provides for the provision of €150,000 to fund loan repayments for the Tullamore Arts Centre, which it is hoped will open in mid-2022 and a provision has also been made for an operational budget for the Centre.

She informed the members that Commercial Rates are a significant contributor to the total income for the Council and a projected figure for rates income 2022 was included in the budget before the members. She noted that due to the easing of Covid-19 restrictions over the past couple of months, and its consequential impact on businesses, the bad debt provisions for 2022 has been reduced. She also advised the members that there will be no increase in commercial rates, but the challenges to maintain services will be closely monitored in 2022. She updated the members on an increase provision of €210,000 for county road maintenance and for the 1% pay restoration that was introduced in October 2021, with a further 1% due in October 2022. She noted that €350,000 match funding has also been maintained and she outlined the additional funding that has been provided for Services:

- Housing Pre-let Expenditure - €360,000
- Housing Planned Maintenance Expenditure - €160,000

- Housing Maintenance & Repairs Expenditure - €88,000
- Housing Own Stock DPG Spend - €50,000
- County Roads Allocation - €210,000
- Arts Centre Operational Funding 2022 - €100,000
- Local Enterprise Office Economic Recovery Initiatives - €50,000
- Funding for Graveyards - €23,500
- Funding for Playgrounds - €10,000
- Library Maintenance Costs - €10,000
- Contribution to Library Book Fund - €10,000

She advised the members that a balanced budget must be adopted and she outlined progress that has been achieved on some initiatives as follows:

- Tullamore Street Enhancement Project – Phase 1 completed and further application submitted for URDF Phase 2
- Tullamore Community Arts Centre – expected construction completion in Q2 2022
- N52 Tullamore-Kilbeggan Link Road progressing well with public consultation on Stage 3 emerging preferred route
- Greenway construction continues - €3.1m for Daingean to Edenderry, under construction (Tullamore to Turraun complete & Tullamore to Daingean complete/new car parks provided). Funding is being sought for Turraun to Shannon Harbour for 2022/3 delivery. A feasibility and design studies for the Shannon Monastic Greenway and the Ballycommon Mullingar Greenway link, both funded under the Carbon Tax Fund 2020 has commenced.
- Edenderry Inner Relief Road – Contractor appointed to complete Stage 1
- Active Travel Programme – OCC received €3.8m from National Transport Authority, countywide programme underway
- Post Covid-19 Recovery Measures including Weatherproofing and Outdoor Dining initiatives, Parklets, Local Live Performances, Town and Village Renewal schemes and Rural Regeneration Fund schemes. A number of applications are pending approval under TVR and RRDF schemes.
- 22 applications successful for Shopfront Grant Scheme and 34 applications successful for Streetscape Enhancement Scheme.
- Climate Change Adaptation Strategy – Climate Steering Group established, training provided, Tullamore Decarbonisation Zone.
- Rhode Green Energy Park proposal progressing with Park Infrastructure upgrade and Feasibility Study (Q4 2021-Q3 2022).

- Birr Courthouse redevelopment continues - Creative Hub project – funding received from Historic Towns initiative and Historic Structures Fund.

Ms. A. Delaney advised the members that the General Municipal Allocation will remain the same as 2021 in the amount of €510,000. She noted that in 2021 there was further interest in serviced sites in the Business Parks, the Green for Micro support programme was introduced, the County Development Plan 2021-2027 was adopted and broadband services continue to be rolled out. She highlighted that the tourism sector has been badly hit by the pandemic but Offaly Tourism was involved in a number of campaigns such as the Midlands summer campaign on Midlands 103, Fáilte Ireland Keep Discovering campaign with Birr Castle and cruising on the Shannon. She also noted that a number of TV programmes showcasing Offaly were filmed and advertising was placed in national newspapers and she confirmed that assistance to Offaly Tourism will continue going forward. She highlighted the Birr Destination Town progress with the Green Street enhancement underway until Q2 2022, Phases 3 and 4 of the Slieve Bloom Mountain Bike Trails are due to be completed and the Meelick Weir Development opened in September 2021.

She noted the Offaly Local Development Company continues to be a leading provider in delivering nationally funded projects and noted the success of the Offaly Leader Transitional Program in achieving a top ten place in the country. She acknowledged the Community Response Forum and Call Helpline established in response to Covid-19 restrictions and the contribution of all the agencies involved during this difficult period.

She updated the members on the Retrofit Programme with a number of units completed and she commended the Housing team on their engagement with the Department resulting in increased funding from €3.5m to €4.2m.

Ms. A. Delaney thanked the Cathaoirleach and the members for their support, the management team for their commitment and she acknowledged the staff for their efforts in the prudent management of constrained resources over 2021 and their efforts in ensuring that Offaly County Council remained open through the restrictions. She thanked in particular Mr. Mark Connolly, Mr. Thomas Mawe and their team for their excellent work in preparing the budget for 2022.

Mr. M. Connolly began by reading tables of the budget book for 2022 into the record of the meeting:

- A Housing and Building €11,472,906
- B Road Transport & Safety €18,783,581
- C Water Services inc Irish Water Agency €3,362,434
- D Development Management €9,285,636
- E Environmental Services €7,014,327

- F Recreation and Amenity €3,396,481
- G Agriculture, Education, Health & Welfare €540,910
- H Miscellaneous Services €6,729,714
- J Central Management Charge €11,357,070

Total Budget: €71,943,059

Mr. M. Connolly, H.O.F. advised the members that preparing the budget 2022 has been extremely challenging given the impact of Covid-19. He also referred to the significant risk to commercial rates posed by the closure of Shannonbridge Powerplant and their efforts in trying to get a long term solution for the loss of this income. He pointed out that further uncertainty exists with Brexit, the de-carbonisation agenda and Covid-19 which will continue to pose challenges for the provision of services.

He informed the members that income from rates, parking, planning and other miscellaneous sources reduced in 2021 and this will put further pressure on income for 2022. He acknowledged the support from the Department with the Rates Waiver Scheme, the direct subvention to cover costs of services impacted by Covid-19. He noted a targeted rates waiver for hospitality will be provided for Q4 2021. He cautioned that confirmation of direct subvention for 2021 to cover income impacted by Covid-19 has not yet been confirmed and there is continued engagement with Department on this. He also stated that should there be any return to Covid-19 restrictions in 2022 this may result in a review of spending commitments in 2022.

Mr. M. Connolly informed the members that the De-carbonisation Agenda is still a major issue for Offaly County Council. He welcomed the member's decision to maintain the Local Property Tax at the same level as 2021 and that this will generate additional funding in the amount of €745,434 which will be ring fenced for capital projects of scale across the county. He noted the General Municipal Allocation will be maintained at 2021 levels, with Edenderry receiving an allocation of €163,000, Birr €170,000 and Tullamore Municipal District €177,000. He advised the members that Commercial rates continue to be a challenge, with 17 rates valuation appeals still on-going, including windfarms which could greatly impact on rates income. He confirmed that the commercial rate remains unchanged at 0.2198. He pointed out that our sources of income include 40% Central Government funding and commercial rates provide 20% of council income. Discretionary expenditure accounts for 9% of expenditure only and he noted this is an issue for all Local Authorities.

Mr. M. Connolly provided the members with an overview of the process of balancing the budget:

- A rent review of 1,813 Local Authority tenants accounts was carried out in the Autumn with the revised rent

effective from the 9th October. A further rent review of all leasing, RAS and HAP tenancies will take place in early 2022. All additional income estimated to be generated by this rent review has been reinvested in Housing services for 2022.

- The expenditure increases on services of recent years have, as far as possible, been maintained in the 2022 budget. The additional funding for county roads of €150,000 which was included last year is again provided for. This 2022 allocation continues to be funded from an actual surplus of NPPR income over budget in 2021. This is not a permanently sustainable allocation.
- A further €210,000 has been provided for County Roads from the Revenue Account in 2022.
- 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 has not been applied to general service provision.
- Following the rates revaluation in 2017, a number of appeals are still pending which if successful may result in a significant issue for the council's finances. A provision to cater for this eventuality is included in the budget, but the situation is uncertain.
- 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 in the past decade brought many benefits as the sector develops capacity. However, 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.

Mr. M. Connolly informed the members that the Irish Water service level agreement will continue to be recouped and the rates rebate on vacant commercial properties will be maintained at 100%, however this may be looked at during the year. He acknowledged the accumulated deficit needs to continue to be reduced. However, coming out of the pandemic it is prudent to retain the 2021 level of €50,000. He also advised the members that €150,000 has been provided to cover full loan repayment for Tullamore Arts Community Centre. Mr. M. Connolly also stated there is still a risk that further lockdowns may occur, but given the level of businesses reopening in Q4 2021, the bad debt provision has been reduced in 2022.

Mr. M. Connolly advised that the role of the Finance Department is to assist in achieving the strategic priority of developing and delivery of quality services with particular regard to Financial

Management and Value for Money. He noted that in 2020, this role significantly altered, with an additional remit being to support the sustenance of the local economy through the continuing Covid-19 pandemic and he outlined the key achievements for the Finance Department in 2021:

- Supporting the local economy through enterprise supports like the Restart Grant, Restart Plus Grant and SBASC scheme.
- Assisting the delivery of LEO enterprise supports.
- Assisting the provision of Covid-19 prevention measures.
- Housing loan relief measures.
- Further roll out of on-line services.
- Continued Remote working.
- Execution of continuity plans for remote payroll processing.

Mr. M. Connolly acknowledged the work of Mr. T. Mawe and the finance section, assisted by the Local Enterprise Office for their administration of a number of enterprise and Covid-19 supports and prevention matters, both online and remotely to customers, allowing financial services to continue uninterrupted. They continued to assist housing and rates customers, paying out €9m on Restart grants while maintaining statutory requirements and core services. He brought the members attention to the green page table A in the budget book noting that the expenditure on table A is slightly down due to partial rates for Shannonbridge in 2021. He advised that overall all services have been maintained, with increases in certain areas and he presented the proposed budget for 2022 in the amount of €71.9m.

The members joined with the Cathaoirleach in thanking the Chief Executive and Head of Finance for their comprehensive report on the Budget 2022. They welcomed the additional funding in the areas of Housing, Roads, Cemeteries and other services.

Cllr. P. Ormond welcomed the progress on projects in 2021 and the decision by the members to maintain the Local Property Tax, which has been very beneficial and has enabled projects in each Municipal District with significant investments in the county. He welcomed the €1.7m funding and thanked the management and public representatives, Deputy Barry Cowen, Minister Pippa Hackett and Minister Peter Burke in their efforts to secure this funding. He expressed his concerns with the increases in housing grants applications, construction costs and lack of contractors. He acknowledged that operational funding for the new Tullamore Arts Centre is necessary in its infancy stage. He welcomed funding for Birr Arts and Theatre Centre and he proposed this funding be increased from €38,000 to 45,000. He thanked the Finance and Economic Sections for providing

business supports, he welcomed that there would be no increase in commercial rates, citing that it is a positive budget and it is prudent to work together within our means.

Cllr. J. Leahy seconded the proposal to increase the allocation for Birr Arts and Theatre to €45k. He queried if a long term solution for funding to offset the loss of rates from Shannonbridge could be finalised and if the Rates Appeals process could be sped up.

Cllr. L. Quinn queried what impact the drive towards electric vehicles will have on motor tax income. He acknowledged the work in Minister Michael Ring's Department of Rural and Community Development facilitating lot of work in Offaly and he thanked the staff in forward planning for their proficiency with their success with applications for funding for community projects.

Mr. M. Connolly thanked the members for their engagement and he noted Cllr. P. Ormond's proposal. He agreed the rates appeal process is a frustrating issue for all Local Authorities and the increase in online shopping is a further risk to our rates income. He advised that there is ongoing engagement with the Valuation Office and the estimated risk is provided for in the bad debt provision. He advised that if any savings are made from the rates appeals, they will be made available to the operational budget, but he cautioned there may be greater loss than estimated.

He confirmed that no correspondence has been received from the Department in relation to subvention for the costs of Covid-19 in 2021 but correspondence received at the end of 2020 from the Department pointed to similar funding being made available if required. It will remain a huge concern for the out-turn for 2021 until confirmation of the funding is received. Local Authorities will be in discussion through the CCMA and H.O.F. group to lobby for this funding.

He confirmed that all bad debt provision are subject to ongoing review and all debt is pursued in a prudent manner. He advised that the Department are in agreement that a long term solution is required for the loss of rates due to the closure of Shannonbridge Power Station and the Council will continue to engage with the Department on this matter. He agreed the vacant rates rebate scheme is complicated but will work with members on this issue and that a reduction in Motor Tax will impact the national exchequer.

On the proposal of Cllr. J. Carroll, seconded by Cllr. E. Fitzpatrick, the members agreed to suspend Standing Orders to allow the meeting to continue after 3.30pm.

Ms. S. Kennedy informed the members on the types of funding available to the Arts Sector and she advised that the Arts office

work with the sector to draw down as much funding as possible. She highlighted the various schemes and events facilitated by the Arts sector reported monthly in the Chief Executive's report. She noted that Birr Arts and Theatre Centre has been established a long time with the company working diligently and in collaboration with Offaly County Council. She also pointed out that in addition to the €38k operational funding other streams of funding are provided for festival and programmes such as Creative Ireland. She highlighted that with all Arts facilities existing and being developed in Offaly, there is a huge opportunity to expand Arts services provision. She advised that the Arts Council have commissioned a report to see how different avenues can be pursued. She further advised that the provision of Arts services is important for social inclusion, economic development and employment, opportunities for children and the elderly and is a really important function for Local Authorities.

Cllr. K. Smollen agreed management are doing an excellent job and he disagrees with the current funding model for Local Authorities. All funding should come from Central Government and even small increases in Local Property Tax can have large impact on poorer families.

Cllr. S. O'Brien welcomed that there is no increase in rates.

Cllr. F. Moran queried if the customers appealing their rates are paying any rates currently and when will savings from the Public lighting scheme will be seen.

In reference to the Climate Action, Cllr. J. Carroll expressed his hope that more tree planting will be facilitated and he acknowledged the funding for an Gaeilge. He queried if there will be an IPB dividend in 2022. Cllr. M. Hackett supported any tree planting initiative.

Cllr. E. Fitzpatrick queried if the new LPT bands will cause a reduction in LPT revenue or would new houses counteract this.

Cllr. N. Feighery queried if there are any allocations for the running of festival or events.

In response Mr. T. Shanahan advised that in relation to the lighting energy efficient project the regional tenders are being assessed. Work on those will commence in Q1 2022 with some benefits accruing by 2023 and partial and full benefits accruing by 2024. Energy savings will be required to pay loans outstanding from the project but projected savings will be less given the recent energy costs increases. However, the need for upgrades will be greatly reduced.

Mr. M. Connolly responded that the IPB dividend is expected in 2022. He informed the members that Revenue are still working

	<p>on the new bands for LPT, the deadline for submission by property owners was extended and he advised that no Local Authority should be worse off after the LPT bands are reviewed. With regard to the acquisition of land, management are investigating any opportunities that may arise. Mr. M. Connolly confirmed festival and events are covered through Municipal Districts and Arts funding. He called on a recess for the Chief Executive and Management to discuss the proposed motion in relation funding for Birr Arts Theatre.</p> <p>Ms. A. Delaney, Chief Executive thanked the members for their unanimous support and she agreed to keep their concerns under review and consider their requests for the 2023 budget.</p> <p>On the proposal of Cllr. P. Ormond, seconded by Cllr. J. Leahy the members resolved to the adopt the Budget 2022 with the amendment that additional funding for Oxmantown Theatre, (Sub-Service F0502) of €7,000 to be funded by a re-allocation of funding from the Administration of the Arts Programme (Sub-Service F0501)</p> <p>On the proposal of Cllr D. Harvey, seconded by Cllr. T. McCormack the members resolved to retain the 100% commercial rates waiver on vacant premises for 2022.</p> <p>On the proposal of Cllr. N. Feighery, seconded by Cllr. N. Cribbin the members resolved to adopt the Capital Budget 2022-2026.</p>
--	---

This concluded the business of the meeting.

MINUTES CONFIRMED: _____
CATHAOIRLEACH **RUNAÍ**

13th December 2021