

COMHAIRLE CHONTAE CHILL MHANTAIN

**MINUTES OF ANNUAL BUDGET MEETING OF WICKLOW COUNTY COUNCIL HELD IN
THE COUNCIL CHAMBER, COUNTY BUILDINGS, WICKLOW ON MONDAY, 25TH
NOVEMBER, 2019 AT 10.00 A.M.**

PRESENT:

COUNCILLOR I. WINTERS, CATHAOIRLEACH, COUNCILLORS T. ANNESLEY, J. BEHAN, V. BLAKE, S. BOURKE, M. CORRIGAN, M. CREAN, A. CRONIN, S. CULLEN, G. DUNNE, A. FERRIS, P. FITZGERALD, A. FLYNN KENNEDY, T. FORTUNE, P. GLENNON, M. KAVANAGH, P. KENNEDY, P. LEONARD, S. MATTHEWS, G. MCMANUS, D. MITCHELL, J. MULLEN, M. MURPHY, D. O'BRIEN, P. O'BRIEN, R. O'CONNOR, G. O'NEILL, L. SCOTT, J. SNELL, E. TIMMINS AND G. WALSH.

APOLOGIES:

CLLR. J. WHITMORE.

IN ATTENDANCE:

MR. F. CURRAN, CHIEF EXECUTIVE
MR. S. QUIRKE, DIRECTOR OF SERVICES
MR. M. NICHOLSON, DIRECTOR OF SERVICES
MR. J. LANE, DIRECTOR OF SERVICES
MR. T. MURPHY, DIRECTOR OF SERVICES
MR. B. GLEESON, HEAD OF FINANCE
MR. C. LAVERY, DIRECTOR OF SERVICES
MS. L. GALLAGHER, SENIOR EXECUTIVE OFFICER/MEETINGS ADMINISTRATOR
MR. L. FITZPATRICK, HEAD OF IT
MS. B. McCARTHY, FINANCIAL MANAGEMENT ACCOUNTANT
MS. B. KILKENNY, SENIOR ENGINEER
MR. D. MARNANE, A/SENIOR ENGINEER
MR. M. FLYNN, SENIOR ENGINEER
MR. M. DEVEREUX, SENIOR ENGINEER
MS. H. DENNEHY, SENIOR EXECUTIVE OFFICER
MS. J. CARROLL, SENIOR EXECUTIVE OFFICER
MS. T. O'BRIEN, SENIOR EXECUTIVE OFFICER
MR. D. KEYES, ADMINISTRATIVE OFFICER
MS. Y. KELLY, STAFF OFFICER
MS. G. LANG, ASSISTANT STAFF OFFICER

VOTES OF SYMPATHY.

Elected Members passed votes of sympathy to the families of Mrs Ita Coleman, Mrs. Vera Webster and Mr. Kevin O Mahony. A minutes silence was observed for the deceased.

Local Authority Budget, 2020

Elected members were circulated with Wicklow County Council Local Authority Budget 2020 with report of the Chief Executive dated 15th November, 2019.

15 November 2019

TO: CATHAOIRLEACH AND MEMBERS OF WICKLOW COUNTY COUNCIL

Report of Chief Executive on the Draft Budget for Wicklow County Council for the local financial year ending 31st December, 2020

Dear Councillors,

The Draft Annual Budget and Chief Executive's Report for the financial year ended 31st December 2020 has been prepared in the statutory format, in accordance with S102 of the Local Government Act 2001 (as amended). The Minister for Housing, Planning and Local Government has determined that the prescribed period for the holding of the Annual Budget Meeting for 2020 is 1st November to 30th November 2019. Accordingly the statutory Annual Budget Meeting is scheduled for 10am Monday November 25th. The Budget must be adopted within a 14 day period commencing on that date.

As you are aware, there are four main stages to the Local Authority budgetary process.

1. Agree the Budget Strategy and Local Property Tax variation.
2. Develop Draft Budgetary plans for the Municipal Districts.
3. Draft and Adopt the Statutory Annual Budget.
4. Prepare the Schedule of Municipal District Works and Service Delivery Plan.

Furthermore, the attached Draft Budget has been prepared in consultation with the Corporate Policy Group taking account of known financial parameters.

The 2020 Budget presented to you provides for expenditure of **€116m**. This represents an increase of €13.1m (or 13%) on last year's budget. Notwithstanding the financial challenges we are facing next year I believe this represents a very positive outcome for Wicklow County Council which has been made possible through a maximisation of existing resources, strong budgetary management, securing higher levels of Government grant funding and an increase in the Local Property Tax rate.

Local Property Tax

At the Local Property Tax meeting of 23rd September, the Members of Wicklow County Council voted to increase the LPT basic rate for 2020 by 10%. This will generate an extra €1.7m of income to the Council, increasing the total LPT allocation for 2020 to €13.7m.

Wicklow continues to be a net contributor under the national equalisation model, with 20% of its gross allocation paid into an equalisation fund to ensure no local authority is worse off when compared to the 2014 General Purpose Grant allocations. Wicklow County Council's post equalisation allocation (80%) for 2020 is €13,794,860. Following the passing of a resolution to vary the rate by 10% the allocation was increased to €15,519,218. However, as Wicklow will receive a greater level of LPT funding compared to its funding baseline

(€8,547,247), part of this surplus, in the amount of €1,798,898, will be used to fund services in the Housing area thereby replacing Central Government funding for these areas. Consequently, the net LPT allocation for 2020 is €13,720,320.

Details on this are provided in Table 1 below and also in Appendix 2 of the Draft Budget Tables.

Table 1 – 2020 Local Property Tax Allocation

	2020 LPT Allocation
100% of LPT Income Allocation for Wicklow	17,243,575
20% to National Equalisation Fund	-3,448,715
80% of LPT to be retained locally	<u>13,794,860</u>
Additional Income from 10% Upward Variation	1,724,358
Amount of surplus to self fund housing	-1,798,898
Discretionary LPT Funding for Budget 2020	13,720,320

In line with the priorities of the Members, the additional funding of €1.7m has been ringfenced in order to retain the Municipal District discretionary funds and the Community Grant Scheme at their existing allocation levels. Furthermore, Wicklow County Council recently adopted the Climate Change Adaptation Strategy for the County which identified a number of important measures to be taken over the lifetime of the Strategy. Part of the additional revenue from the proceeds of the increase in Local Property Tax will help to fund a number of these measures including the appointment of a Climate Action Officer. The additional revenue will also be ringfenced to meet the Council's requirement to provide match funding for a number of exciting new projects under the National Development Plan. The breakdown of this ringfenced funding is outlined in the table below.

Table 2 – Additional LPT Income allocations

Proposed Allocation	10% LPT Increase
Matched Funding	€452,000
Community Grant Scheme	€48,358
MD Discretionary Fund	€964,000
Climate Action /Energy Initiatives	€260,000
Total	€1,724,358

Municipal Districts

The General Municipal Allocations (GMA) were considered and adopted by the members at the recently held Municipal District budget meetings. I have incorporated the adopted

allocations of €242,500 into the overall Draft Budget. The only change to the GMA for 2020 is an increase for the Wicklow Municipal District in respect of their new roundabout sponsorship scheme. Table 3 outlines the allocations per municipal district and by expenditure category.

Table 3 – 2020 General Municipal Allocations

Description	Arklow	Baltinglass	Bray	Greystones	Wicklow	Total
Town Twinning	6,000	3,000	10,000	6,000	6,000	31,000
Economic Development and Promotion	28,000	7,000	9,500	10,000	11,000	65,500
Christmas Festival	20,000	10,000	20,000	10,000	20,000	80,000
Festivals / Other	5,000	4,000	32,000	10,000	5,000	56,000
Civic Receptions	2,000	2,000	2,000	2,000	2,000	10,000
Total	61,000	26,000	73,500	38,000	44,000	242,500

The GMA forms only a part of the overall budget for the Municipal Districts and the Draft Annual Budget also includes other significant funding streams under the Schedule of Municipal District Works. Additional discretionary funding in the amount of €964,000 has been allocated in respect of public realm works. Moreover, an amount of €500,000 has been allocated between the 5 Municipal Districts from the IPB capital redistribution scheme which provides funding for footpath repairs.

The total amount of discretionary funding available to the districts in 2020 is over €1.7m as per the decision taken by the Members at the LPT meeting in September.

Table 4 – 2020 Discretionary Funding Allocations

Discretionary Funding 2020	Bray	Arklow	Wicklow	Greystones	Baltinglasses	Total
General Municipal Allocation	€73,500	€61,000	€44,000	€38,000	€26,000	€242,500
Public Realm Discretionary Funding	€241,000	€180,750	€180,750	€180,750	€180,750	€964,000
IPB Capital Redistribution Payment	€125,000	€93,750	€93,750	€93,750	€93,750	€500,000
Total	€439,500	€335,500	€318,500	€312,500	€300,500	€1,706,500

Schedule of Municipal Works

Following the adoption of the annual budget, a schedule of proposed works of maintenance and repairs to be carried out in each municipal district shall be prepared for adoption by the members in early 2020. To this end, it is appropriate that each Municipal District review their 2019 operations to assess how they have delivered on the Service Plan with a view to agreeing the 2020 works early next year. Furthermore, the process introduced back in 2018 with regard to members' input into the decision making process for the Roads Programme will continue in 2020. To this end, Members will be asked to submit their requests in December in respect of Restoration Improvement and Restoration Maintenance works for 2020.

Commercial Rates

Commercial Rates income is estimated at €31.95m for 2020. This represents an increase of approximately €4m, however this increase will be used to offset losses in income following the rating of Irish Water and any future income losses that may arise as a result of appeals made to the Valuation Tribunal under the Rates Revaluation process. Under the Rates Limitation Order the rates income for 2020 has been calculated as per the table below.

Table 5 – 2020 Commercial Rates Income

Rates Income 2020	€m
2019 Rates Income Base	27,928
2019 Additions/Increases to Valuation List	222
Consumer Price Index	263
Addition of new Global Valuations	1,105
Provision for future losses on appeals	2,433
Total	31,951

Rates Revaluation

As you are aware a rates revaluation took place in Wicklow during 2019 and the final valuation certificates were issued to ratepayers in September. Having a modern valuation base is very important for the levying of commercial rates on a fair and equitable basis across all property sectors. The Valuation Acts provide for the revaluation of all rateable property within a rating authority area so as to reflect changes in value due to economic factors such as differential movements in property values or other external factors and changes in the local business environment. The aim of a revaluation is to bring more equity, uniformity and transparency into the local authority rating system resulting in a more equitable distribution of commercial rates among ratepayers. Following revaluation, there is a much closer and uniform relationship between the current annual rental values of commercial properties and their commercial rates liability. It should be noted that while an individual ratepayer's annual liability may increase or decrease, the revaluation does not increase the overall commercial rates income of the local authority. The commercial rates income is capped in the year following a revaluation, aside from certain increases allowed under rates legislation for items such as inflation and new property additions. It should be noted that the 2020 budgeted rates amount of €32m also includes a provision of €2.4m for any future losses arising from appeals to the Valuation Tribunal. New Rates Legislation allows for this amount to be determined by the Minister of Housing, Planning and Local Government in consultation with the Commissioner of Valuation. However, this income

must be set aside in the form of a capital reserve to cover possible losses in the future and is therefore included as a contra entry in the budgeted figures.

Irish Water Valuation

The 2020 rates figure includes an additional amount of €1.1m in respect of new and increased valuations for global utilities. Irish Water was valued by the Valuation Office in 2019 and as a consequence will now pay commercial rates directly to local authorities from 2020 onwards. Heretofore, Wicklow County Council received nearly €2.2m in compensation from the Department of Housing, Planning and Local Government in respect of commercial rates for Irish Water. This compensation payment will cease in 2020 as a result of the valuation of Irish Water infrastructure this year. Based on the final global valuation figure for Irish Water and the proposed method of distribution between local authorities (based on population), Wicklow will now receive approximately €1m less than the current Departmental compensation payment. Even after netting off the additional income arising from the CPI and new property additions it still leaves a net shortfall of €0.6m. As outlined at the LPT meeting, the Department of Housing, Planning and Local Government were in budget negotiations with the Department of Public Expenditure and Reform (DPER) at that time with regard to a possible compensation payment for local authorities impacted by this development. Unfortunately, DPER did not provide any additional funding in the 2020 Estimates for this purpose so the full shortfall amount of €0.6m will have to be funded from the Council's own resources. However, we will continue to actively engage with the Department on this matter in order to try and secure some element of compensatory funding to offset this income loss.

2020 Annual Rate on Valuation (ARV)

The new valuations that were published in September 2019 come into effect for rating purposes from 1st January 2020 and it is estimated that up to 60% of ratepayers in Wicklow will receive a reduction in their rates liability for 2020. Under the previous valuation system that was used for Budget 2019 the total valuation for all properties was approximately €388,000 which was multiplied by the existing ARV of €72.04 to calculate our rates income of €27.9m for the year. Following the revaluation process, which applies updated methods of calculating valuations based on rental and trading income, the total the property valuation figure has been increased to €147,510,598. As you are aware, an indicative ARV of 0.228 was published last March that was used as the multiplier to calculate the ratepayers estimated liability for next year. However, I am pleased to inform you that following the conclusion of the rates representation period and the publication of the final valuation list, the Final ARV has now been calculated at **0.217**. This is the multiplier that will now be used to calculate the actual rates bills for 2020 and represents a reduction of 5% on the indicative ARV. This means that individual ratepayers in Wicklow will benefit from a 5% reduction in their actual rates bills for 2020 compared to what their estimated cost would have been using the previous indicative ARV.

Table 6 - Wicklow Rates Base

Annual Rates Billing Band	No. of Properties	Rates Valuation	Rates Billing Amount	% of Rate Customer by billing band	Average Annual Rate Demand per customer
€		€	€	%	€
> to 1,000	768	2,149,730	465,632	20.11	606

1,000 – 2,000	938	5,954,070	1,289,652	24.56	1,375
2,000 – 3,000	562	6,178,197	1,338,197	14.72	2,381
3,000 – 4,000	352	5,283,210	1,144,343	9.22	3,251
4,000 – 5,000	235	4,634,145	1,003,756	6.15	4,271
5,000 – 10,000	505	15,138,489	3,278,997	13.22	6,493
10,000 – 15,000	158	8,453,883	1,831,111	4.14	11,589
15,000 – 20,000	79	5,930,519	1,284,550	2.07	16,260
20,000 – 30,000	77	8,104,302	1,755,392	2.02	22,797
30,000 – 50,000	74	12,171,553	2,636,358	1.94	35,626
50,000 – 100,000	36	10,478,710	2,269,689	0.94	63,047
100,000 – 500,000	28	21,558,799	4,669,636	0.73	166,773
> 500,000	7	41,474,991	8,983,482	0.18	1,283,355
Total	3,819	147,510,598	31,950,795	100	8,366

Rates Incentive Schemes

The 2020 Draft Budget also provides for the continuation of the Small Business Rates Incentive Scheme. The aim of the Scheme is to ease the burden on local ratepayers and address their concerns about the impact of commercial rates. To this end, a grant of 5% of the current year bill up to a maximum of €250 will be available in 2020 as a financial support to occupiers of commercial properties with total annual commercial rates bills of up to and including €10,000, subject to certain terms and conditions. Nearly 90% of ratepayers currently operating in County Wicklow are small and medium businesses who are deemed eligible to apply under the incentive scheme.

I also wish to take this opportunity to inform the Members that I plan to introduce a separate rates incentive scheme next year for new businesses. This scheme will be aimed at encouraging the use of long term vacant premises in the county through the provision of grant support to new businesses. Wicklow County Council aims to encourage thriving and diverse businesses and wants to see the number of vacant retail/commercial properties decrease. This grant scheme is intended to incentivise and encourage new commercial ventures, reoccupy vacant properties and assist in job creation. An overview of the proposed scheme was presented to the Economic Development and Enterprise Support SPC last month and received its full support. Full details of the scheme will issue in early 2020.

Rates on Vacant Premises

The LG Reform Act 2014 provides for a change to rating law in relation to the refund of rates on vacant properties. The elected members may, by way of reserved function, vary the levels of rates refund applicable to vacant property in individual local electoral areas. The Act does not make any change to the eligibility criteria for refunds. The decision to alter the rate of refund must be taken at the Annual Budget Meeting. It is decided in respect of the entire local electoral area and will apply only for the year to which the budget relates. Each local electoral area can have a different rate of refund. In the absence of any decision the existing provisions regarding the rate of refund will apply. The current rate of refund that applies in Wicklow is 100%.

In order to stimulate the commercial rates sector and to compliment the introduction of the New Business Rates Incentive Scheme outlined above, it is my recommendation that the rate of refund is reduced from the existing 100% level to 60%. At present, 14 local authorities apply a reduced level of vacancy relief ranging from 10% to 90%. In addition, it should be noted that new rates legislation was passed earlier this year that provides for the introduction of a maximum level of vacancy to be determined by the Minister. It is expected that this section of the Bill will commence next year and become operational for Budget 2021. Furthermore, considering the financial challenges we are facing next year this reduction in vacancy relief will provide an additional €780k in income to help offset the reductions in the Council's revenue sources for 2020 while also reducing the number of vacant premises in our towns and villages and thereby enhancing the local streetscapes.

In light of these factors, it is recommended that the rate of refund for eligible vacant properties is reduced from 100% to 60% for 2020. Please note that if the Members decide to keep the rate at 100% then €780k of savings will have to be identified elsewhere in order for the budget to balance.

Payroll / Pensions

A total of €45.8m is included in the budget for pay and pension costs. This is an increase of €1.6m on 2019. This increase arises as a result of additional pension costs, new staff and the application of pay agreement increases. The additional cost of the current Public Service Pay Agreement to the budget in 2020 equates to approximately €0.6m of which we will receive only 88% compensation from the Department of Housing, Planning and Local Government. As such, the balance of circa €0.1m will have to be met from our own resources. There is also an ongoing need to recruit staff (indoor/outdoor) to maintain services and Budget 2020 attempts to address these demands within the financial constraints we are currently operating under. The Budget provides for additional staff for Wicklow County Council's library services in line with the agreed workforce plan. It also provides for additional personnel in the areas of IT, Roads, Planning, Customer Care Unit, Finance, Climate Action as well as a number of extra outdoor staff.

2020 Draft Budget Overview

The Draft Budget presented to you provides for expenditure of € **115,972,871** in 2020. However, as the Council is statutorily required to prepare a balanced budget, expenditure provisions must be matched by income. The Draft Budget has therefore been prepared with the following income projections:

Divisional Income	€70.3M
Local Property Tax	€13.7M
Rates	€32M

While Budget 2020 will be set at a significantly higher level compared to last year, this is mainly due to increased grant aid for housing services and the roads programme which are contra items. As you are aware, Wicklow's income from state funding does not compare favourably to other comparable local authorities. Comparing the annual budget figures included in the recently published NOAC Performance Indicators Report Wicklow spends less per person than the national average. However this proposed budget will help raise our spend per capita to a more satisfactory level.

Financial Challenges in 2020

In preparing the Budget 2020 we have faced considerable challenges including increased annual pay and pension commitments as well as restricted sources of funding. One of our main sources of income the Local Property Tax is restricted in that no new properties built since 2013 can be added to the LPT allocation until the end of 2020 which will impact on Budget 2021. Moreover, as outlined earlier in the report the Rates Limitation Order prevents the Council from increasing its commercial rates income in the year following the revaluation.

Other financial challenges we face in 2020 include a significant reduction in income. I have already highlighted the loss of income associated with the rating of Irish Water but there are a number of other areas that will see revenue reductions next year. Based on the negative investment performance in 2018, IPB have notified us that they will not be in a position to pay out a commercial dividend in 2020. The special dividend paid out in 2019 was €141,700. However, we have recently received notification of our expected insurance premium for 2020 which projects a reduction of over €200k on 2019 and this will therefore offset the loss on the dividend.

Non Principal Private Residence (NPPR) income will also see a significant reduction in 2020. The total income received in 2018 was €1.1m, however the income received from NPPR in 2019 has dropped quite significantly. The Budget for 2019 was set at €700k in anticipation of this slow down reduction and at the end of October only €500k has been collected. It is expected that this trend will continue in 2020 and therefore it is proposed to further reduce the annual estimate from €700k to €300k – a reduction of €400k.

Other areas that will see a reduction in funding due to National and EU policy changes include the abolishment of library fees. In addition, income from recyclable materials is likely to decrease significantly next year as the number of countries allowing the import of recyclables has reduced.

One of the main expenditure demands each year relates to pre-letting repair costs incurred on local authority houses. These costs are currently circa €3m per annum and are paid out of the Council's capital account. This level of expenditure was creating an ever increasing deficit in the capital account which needed to be funded. In order to fully fund these costs, it was agreed at last year's Budget meeting that additional income arising from the rent review carried out in 2019 would be used to offset these costs. Along with additional units coming on stream in 2020, it is expected that additional rental income of €3.1m will be generated which will primarily go towards pre-letting repair costs and other housing programmes.

This extra rental income along with the additional funds of €1.7m arising from the decision to increase the Local Property Tax by 10% and the identification of savings under certain expenditure lines has allowed for increases under a number of divisions/services.

Under the Urban Regeneration and Development Fund and the Rural Regeneration Fund, applications must have a minimum value of €2m and €0.5m respectively. Minimum matched funding of 25% must be provided by the local authority for successful applications. In the case of some applications, the use of development contributions will be used for matched funding, however this will not be the case for all projects. Moreover, there are other smaller funding schemes and projects e.g. Town and Village, CLAR, Failte Ireland, Community CCTV, Outdoor Recreational Infrastructure Scheme etc. that require a matched funding element which will have to be provided from the Revenue Budget. Over the past 12 months a total of €5.7m of matched funding has been committed while new funding applications submitted

in 2019 include a further €7.5m if successful. To this end, an allocation of €0.45m has been provided in the Revenue Budget for matched funding requirements in 2020.

The Climate Adaptation Strategy Plan was recently approved by the Council Members earlier this month. In addition a SPC was also established to drive the implementation of the identified actions within the plan. Proposals include the appointment of a Climate Action Officer and an amount of €260k has been identified and ringfenced from the LPT allocation as the financial requirement for priority actions in 2020.

WCC's Better Energy Communities 2019 application to SEAI was successful and a letter of offer for €180k representing 30% of these project works was received. The balance of €420k must be met from the Council's existing resources and assuming a payback period of 10 yrs, a capital transfer provision of €40k has been provided in the Revenue Budget commencing in 2020.

It is planned that Wicklow will commence the implementation of the Local Authority Public Lighting Energy Efficiency Project in 2020. A significant loan amount of circa €8m will be used to support the roll out. As the energy savings of such a project are not likely to materialise until 15 months after the project implementation it has been agreed to allow local authorities to pay interest only on the loans for the first 2 years which has been provided for in the Budget.

Other major funding increases and initiatives for 2020 include:

- Additional funding for central heating installation, boiler maintenance and repairs of our housing stock.
- Increased funding for fabric upgrade works to our housing stock.
- Increased funding for Housing the Homeless and DPGs.
- Additional funding for Regional and Local Roads Works
- Additional staffing for Libraries in the county and an increase to the Book Fund.
- Increased funding for our Fire Services.
- Increase in County Buildings capital provision to address essential maintenance works.
- Retention of €1.7m of Discretionary funding for Municipal Districts.
- Retention of the Community Grant Scheme allocation of €200k.
- Implementation of Food and Maritime Strategies.
- Wicklow Free WiFi Plan / Build Connectivity Programme.
- Additional playground maintenance costs

Key changes in the Draft Annual Budget are summarised in Table 7 & 8 below.

Table 7 - Budget 2020 v 2019 Main Expenditure Variances

Division	Expenditure	€000's
Housing	Pre-letting Repairs Provision	1,100
	Housing & Boiler Maintenance	260
	Conditional Survey & Works	63
	Central Heating Provision	50

	Fabric Upgrade Works	124
	Remediation Works Provision	150
	Housing of the Homeless Grants	150
	Disabled Persons Grants	244
	RAS	-900
	P&A Agreements	3,312
Roads	Footpath Renewal Scheme	-300
	Public Lighting Maintenance	215
	Regional Road General Improvement Works	1,580
	Local Roads General Maintenance Works	263
	Local Road Surface Dressing	289
Development	Food Strategy Implementation	100
	Maritime Strategy and Aquaculture Project	65
	New Business Rates Incentive Scheme	150
	Nat Development Plan Matched Funding	452
Environment	Fire Service Operations	160
	Recycling Bottle Banks	90
	Climate Actions Initiatives	260
Recreation & Amenity	Library Service Operations	410
	Library Book Fund	50
	Healthy Ireland Fund	120
Miscellaneous	IT running costs/payroll increase	168
	Rates Write Offs	-1,650
Other	Pension & gratuity increases	420
	IPB Premium	-200

Table 8 - Budget 2020 v 2019 Main Income Variances

Division	Income	€000s
Housing	Rental Income	3,133
	Homeless Grants	181
	Disabled Persons Grant Income	186
	RAS	-985
	P&A Agreements	3,367
Roads	Local Footpath Renewal Scheme	-300
	Regional Roads General Improvement Grants	1,580
	NTA Schemes	215

Development	Airbnb Enforcement	159
	Vacant Site Levy	-282
Environment	Recycling Centres	-45
Recreation & Amenity	Library Fines	-63
	Healthy Ireland Fund	120
Miscellaneous	Irish Water Compensation	-2,194
	National Pay Agreement Compensation	510
	NPPR	-400
	IPB Dividend	-142
Other	Local Property Tax Increase	1,724
	Commercial Rates	4,023

Conclusion

I prepared the 2020 Draft Annual Budget in consultation with the Corporate Policy Group and in accordance with the Local Government Act, 2001 (Section 133). This consultation with the Corporate Policy Group has been a key aspect of the budget preparation. At these meetings significant factors within the Budget were raised and discussed and I am grateful to the Members of the Corporate Policy Group and the Cathaoirleach Cllr. Irene Winters for their constructive engagement with the budgetary process.

The 2020 Draft Budget before you today is a plan of action to best deal with the challenging environment of local government. While significant challenges remain in dealing with the economic realities facing the Council, we can cautiously look to build on the progress achieved to date and translate this to increased and improved services growth across the County. The delivery of social and affordable housing continues to be a priority. Moreover we will continue to seek out alternative sources of funding and work in collaboration with the relevant State Agencies, Government Departments, Business Community and the Community and Voluntary Sector to maximise all available opportunities to address the local needs and support the economic and social development of County Wicklow.

The draft budget has been prepared in accordance with the relevant statutory provisions, and this report, with the accompanying detailed financial tables, sets out the position for consideration by the Council. There is considerable detail contained in the Draft Budget Report to assist the Members in their deliberations. Please take the opportunity to discuss aspects of the Draft Budget with each of the Heads of Function.

I would like to take this opportunity to thank the Members of the Council for their support and look forward to continuing to work with the Elected Members to deliver high quality services for the people of Wicklow.

The Draft Budget preparation required significant input from staff across the Council's Divisions. I wish to thank all the Directors and their staff who have contributed to and supported that process. Finally, I would like to express my appreciation to the Head of

Finance, Brian Gleeson and the staff in the Finance Section for their hard work in preparing and framing this Budget.

I recommend the 2020 Budget to you for adoption.

FRANK CURRAN
CHIEF EXECUTIVE
WICKLOW COUNTY COUNCIL

The Chief Executive introduced the draft annual budget for 2020 highlighting the following challenges:-

- The LPT and the retention of 80% yield only
- Decrease in income of the NPPR and IPB dividend
- Additional pension costs and staff salaries
- Loss in Irish water rates and compensation expected
- Increased recycling costs

The Chief Executive advised that the €1.7m for the municipal district discretionary fund can be maintained and match funding for grant applications has been provided for as well as measures for climate adaption and repairs to housing, fabric upgrade and central heating and boiler maintenance. He advised that there were increases in relation to staff and libraries, increase in book fund and in the fire services and increase in playground maintenance costs. He further advised that €300,000 was expected from the Department for compensation in Irish Water rates and that this will be directed to housing maintenance and advised of the rates incentive schemes which the Head of Finance will be referring to in his presentation.

Mr. B. Gleeson Head of Finance presented to the Elected Members covering the following areas:-

Summary

- 2020 Budgetary Process
- 2020 Planned Expenditure and Income
- Financial Challenges for 2020
- New/Additional Expenditure in 2020
- Funding to the Municipal Districts in 2020
- Expenditure/Income Changes to 2020 Budget
- Commercial Rates – 2020 ARV and Rates Vacancy Relief
- Budget Review by Division

2020 Budget Process

- Local Property Tax Rate Variation
- Municipal District Budgetary Plan including the General Municipal Allocation (GMA)

- Adoption of the Statutory Annual Budget
- Schedule of Municipal District Works

2020 Budget Meeting Decisions

1. Adopt Statutory Annual Budget for 2020.
2. Commercial Rates 2020:
 - Agree Annual Rate of Valuation (ARV)
 - Rates Relief % on Vacant Premises

2020 Financial Challenges

1. Restricted Sources of Funding
2. Reduced Income
3. Increased Service Costs
4. Matched Funding Requirements
5. National Pay Agreement
6. Increasing Pension Costs

New / Additional Expenditure in 2020

- Additional funding for Central Heating installation, Boiler Maintenance and Housing Repairs
- Increased funding provision for Fabric Upgrade works
- Increased funding for Housing of the Homeless and DPGs
- Additional Funding for Regional and Local Roads works
- Additional staffing for Libraries and increase in Book Fund
- Increased funding for Fire Services
- Additional staffing for IT, Roads, Planning, Customer Care, Finance, Climate Action and Outdoor Staff.
- Wicklow Free WiFi Plan
- New funding for Climate Action initiatives
- New allocation for NDP Matched Funding requirements
- Retention of €1.7m Public Realm/Footpath Repairs Discretionary Funding Allocation for Municipal Districts
- Retention of €200k for Community Grant Scheme

Commercial Rates 2020

- €4m increase on 2019 figure
- €1.6m to offset loss of €2.2m income from Department following valuation of Irish Water
- Net loss of €0.6m still remains that is being met by own resources
- €2.4m to be set aside to cover future losses from appeals made to the Valuation Tribunal.

Commercial Rates ARV 2020

- Rates Limitation Order prevents any variation to the new Annual Rate of Valuation (ARV) for the year preceding the Rate Revaluation
- ARV for 2020 is set at 0.217
- Decrease on Indicative ARV of 0.228

- Ratepayers will see a reduction of circa 5% in their bills for 2020 versus estimates based on indicative ARV

Commercial Rates Incentive Schemes

- Continuation of the Small Business Rates Incentive Scheme.
- Grant of 5% of rates bill up to a maximum of €250
- Commercial properties with annual rates bills of up to and including €10,000
- Nearly 90% of ratepayers in Wicklow are eligible to apply
- Introduction in 2020 of Rates Incentive Scheme for New Businesses reoccupying Vacant Properties.
- Encourages new commercial ventures, the reoccupation of vacant properties and assists in job creation.
- Helps to improve streetscape of towns and villages
- 50% grant Year 1 and 25% grant in Year 2

Commercial Rates – Vacancy Relief Rate

- Recommendation that the rate of refund for eligible vacant properties is reduced to 60% for 2020.
- Compliments introduction of Rates Incentive Scheme for New Businesses reoccupying Vacant Properties.
- Helps to improve streetscape of towns and villages
- Max level of vacancy relief included in new Rates Bill which will be introduced for Budget 2021
- Reduces 2020 expenditure by €0.78m

Commercial Rates – Vacancy Relief Rate

- 14 LAs currently provide vacancy relief at less than 100%
- Relief provided ranges from 90% to 10%
- Average relief applied is 57%

Mr. B. Gleeson, Head of Finance outlined the tasks of the meeting:

- (1) To Adopt Statutory Annual Budget 2020, with or without amendment
- (2) To Adopt the Annual Rate of Valuation (ARV) for 2020 – Commercial Rates
- (3) Rates Relief on Vacant premises – Commercial rates

Mr. Gleeson introduced the following divisions:-

Housing and Building Division A- Total Draft Expenditure estimate for 2020 of €28,226,049 and a total draft income of €30,863,926 which is detailed on pages 94, 107-109 in the draft budget book.

Road Transport and Safety Division B – Total Draft Expenditure estimate for 2020 of €27,315,219 and a total draft income of €16,592,379 which is detailed on pages 95, 110-112 in the draft budget book.

Issues raised by the elected members in relation to both divisions were responded to by the relevant Director of Services.

Mr. B. Gleeson then introduced the following two divisions:-

Water Services Division C– Total Draft Expenditure estimate for 2020 of €7,467,287 and a total draft income of €6,690,156 which is detailed on pages 96, 113-114 in the draft budget book.

Environmental Services Division E– Total Draft Expenditure estimate for 2020 of €14,066,276 and a total draft income of €2,144,566 which is detailed on pages 98, 118-120 in the draft budget book.

Issues raised by the elected members in relation to both divisions were responded to by the relevant Director of Services.

Mr. B. Gleeson then introduced the following two divisions:-

Development Services Division D – Total Draft Expenditure estimate for 2020 of €13,887,237 and a total draft income of €6,286,861 which is detailed on pages 97,115-117 in the draft budget book.

Agriculture, Education Health and Welfare Division G – Total Draft Expenditure estimate for 2020 of €1,757,140 and a total income of €839,329 which is detailed on pages 100, 123-124 in the draft budget book.

Issues raised by the elected members in relation to both divisions were responded to by the relevant Director of Services.

Mr. B. Gleeson introduced the following two divisions.

Recreation and Amenity Division F – Total Draft Expenditure estimate for 2020 of €9,684,938 and a total draft income of €967,717 which is detailed on pages 99, 121-122 in the draft budget book.

Miscellaneous Services Division H– Total Draft Expenditure estimate for 2020 of €13,418,725 and a total draft income of €5,916,822 which is detailed on pages 101, 125-127 of the draft budget book.

Issues raised by the elected members in relation to both divisions were responded to by the relevant Director of Services.

The Cathaoirleach advised that the meeting would be adjourned for lunch and reconvene at 2.00 p.m.

Cllr. J. Behan proposed that the adoption of the budget be adjourned to the next meeting of the Council, i.e. the 2nd of December, 2019 to allow the Council revert to the Department and seek the additional Irish Water monies. This was seconded by Cllr. T. Fortune.

Ms. L. Gallagher, Meetings Administrator advised that Cllr Behan's proposal was the first of a number that would be put to the meeting and would be voted on accordingly.

The meeting then adjourned until 2.00 p.m. On reconvening the meeting was further adjourned until 2.15 pm.

On reconvening the following motions were put to the floor:-

The proposal put forward by Cllr. J. Behan and seconded by Cllr. T. Fortune that the meeting be adjourned to Monday the 2nd of December, 2019 to allow the Council contact the Department to seek additional Irish Water monies was put to a vote and following a roll call was defeated by a margin of 6 votes for, 25 against and 1 not present viz:-

FOR 6	CLLRS. J. BEHAN, M. CREAN, T. FORTUNE, G. MCMANUS, M. MURPHY AND D. O'BRIEN
AGAINST 25	CLLRS. T. ANNESLEY, V. BLAKE, S. BOURKE, M. CORRIGAN, A. CRONIN, S. CULLEN, G. DUNNE, A. FERRIS, P. FITZGERALD, A. FLYNN KENNEDY, P. GLENNON, M. KAVANAGH, P. KENNEDY, P. LEONARD, S. MATTHEWS, D. MITCHELL, J. MULLEN, P. O'BRIEN, R. O'CONNOR, G. O'NEILL, L. SCOTT, J. SNELL, E. TIMMINS, G. WALSH AND I. WINTERS.
NOT PRESENT 1	CLLR. J. WHITMORE

Cllr. D. Mitchell proposed that the €300,000 expected from the Department in respect of Irish Water be used to fund public realm expenditure and footpaths in the municipal districts which was seconded by Cllr. S. Cullen.

Cllr. P. Kennedy proposed that the Council provide €100,000 from the development contributions scheme to invest in footpaths and that this fund be allocated to the five municipal districts. This was seconded by Cllr. P. O'Brien and following a roll call was passed by a margin of 26 for, 5 against and 1 not present viz:-

FOR 26	CLLRS. T. ANNESLEY, V. BLAKE, S. BOURKE, M. CORRIGAN, M. CREAN, A. CRONIN, S. CULLEN, G. DUNNE, A. FERRIS, P. FITZGERALD, A. FLYNN KENNEDY, P. GLENNON, M. KAVANAGH, P. KENNEDY, P. LEONARD, S. MATTHEWS, D. MITCHELL, J. MULLEN, P. O'BRIEN, R. O'CONNOR, G.
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	O'NEILL, L. SCOTT, J. SNELL, E. TIMMINS, G. WALSH AND I. WINTERS.
AGAINST 5	CLLRS. J. BEHAN, T. FORTUNE, G. MCMANUS, D. O'BRIEN AND R. O'CONNOR.
NOT PRESENT 1	CLLR. J. WHITMORE

The motion put forward by Cllr. D. Mitchell and seconded by Cllr. S. Cullen, Cllr. D. O'Brien proposed that it be amended in that the municipal districts should decide what the monies should be spent on. The amendment was seconded by Cllr. G. McManus.

The amendment was put to a vote and following a roll call was passed by a margin of 20 votes for, 11 against and 1 not present viz:-

FOR 20	CLLRS. T. ANNESLEY, J. BEHAN, S. BOURKE, M. CREAN, A. FERRIS, A. FLYNN KENNEDY, T. FORTUNE, P. GLENNON, M. KAVANAGH, P. LEONARD, S. MATTHEWS, G. MCMANUS, M. MURPHY, D. O'BRIEN, P. O'BRIEN, R. O'CONNOR, G. O'NEILL, L. SCOTT, J. SNELL AND G. WALSH.
AGAINST 11	CLLRS. V. BLAKE, M. CORRIGAN, A. CRONIN, S. CULLEN, G. DUNNE, P. FITZGERALD, P. KENNEDY, D. MITCHELL, J. MULLEN, E. TIMMINS AND I. WINTERS.
NOT PRESENT 1	CLLR. J. WHITMORE

TO ADOPT A VACANCY RATE FOR COUNTY WICKLOW

It was proposed by Cllr. A. Flynn Kennedy, seconded by Cllr. S. Matthews and following a roll call it was agreed by a margin of 28 votes for, 3 against and 1 not present to adopt a 60% commercial rates relief percentage on vacant premises viz:-

FOR 28	CLLRS. T. ANNESLEY, V. BLAKE, S. BOURKE, M. CORRIGAN, M. CREAN, A. CRONIN, S. CULLEN, G. DUNNE, A. FERRIS, P. FITZGERALD, A. FLYNN KENNEDY, P. GLENNON, P. KENNEDY, P. LEONARD, S. MATTHEWS, G. MCMANUS, D. MITCHELL, J. MULLEN, M. MURPHY, D. O'BRIEN, P. O'BRIEN, R. O'CONNOR, G. O'NEILL, L. SCOTT, J. SNELL, E. TIMMINS, G. WALSH AND I. WINTERS.
AGAINST 3	CLLRS. J. BEHAN, T. FORTUNE AND M. KAVANAGH.
NOT PRESENT 1	CLLR. J. WHITMORE

TO ADOPT THE ANNUAL RATE OF VALUATION FOR 2020

It was proposed by Cllr. P. Fitzgerald, seconded by Cllr. V. Blake and following a roll call it was agreed to adopt the Annual Rate of Valuation for 2020 set at 0.217 by a margin of 29 votes for, 2 against and 1 not present viz:-

FOR 29	CLLRS. T. ANNESLEY, V. BLAKE, S. BOURKE, M. CORRIGAN, M. CREAN, A. CRONIN, S. CULLEN, G. DUNNE, A. FERRIS, P. FITZGERALD, A. FLYNN KENNEDY, P. GLENNON, M. KAVANAGH, P. KENNEDY, P. LEONARD, S. MATTHEWS, G. MCMANUS, D. MITCHELL, J. MULLEN, M. MURPHY, D. O'BRIEN, P. O'BRIEN, R. O'CONNOR, G. O'NEILL, L. SCOTT, J. SNELL, E. TIMMINS, G. WALSH AND I. WINTERS.
AGAINST 2	CLLRS. J. BEHAN AND T. FORTUNE.
NOT PRESENT 1	CLLR. J. WHITMORE

TO ADOPT THE STATUTORY ANNUAL BUDGET 2020, WITH OR WITHOUT AMENDMENT

It was proposed by Cllr. P. Fitzgerald, seconded by Cllr. P. O'Brien and following a roll call it was agreed by a margin of 26 votes for 5 against and 1 not present to adopt the statutory Annual Budget 2020.

FOR 26	CLLRS. T. ANNESLEY, V. BLAKE, S. BOURKE, M. CORRIGAN, A. CRONIN, S. CULLEN, G. DUNNE, A. FERRIS, P. FITZGERALD, A. FLYNN KENNEDY, P. GLENNON, M. KAVANAGH, P. KENNEDY, P. LEONARD, S. MATTHEWS, D. MITCHELL, J. MULLEN, M. MURPHY P. O'BRIEN, R. O'CONNOR, G. O'NEILL, L. SCOTT, J. SNELL, E. TIMMINS, G. WALSH AND I. WINTERS.
AGAINST 5	CLLRS. J. BEHAN, M. CREAN, T. FORTUNE, G. MCMANUS AND D. O'BRIEN.
NOT PRESENT 1	CLLR. J. WHITMORE

In conclusion the Cathaoirleach thanked all of the elected members for their time and attention and extended thanks to Chief Executive F. Curran and Head of Finance, Brian Gleeson and his team in Finance and all of the directors and services and staff of Wicklow County Council involved in the process.

L. Gallagher, Meetings Administrator reminded the elected members of the function for retired and non returned members following the local elections at 12 noon, on Monday the 2nd of December, followed by Christmas lunch and the Council meeting at 2.00 p.m.

THIS CONCLUDED THE BUSINESS OF THE MEETING.

**Cathaoirleach,
Wicklow County Council**

**Senior Executive Officer,
Enterprise & Corporate Services**

Confirmed at meeting of Wicklow County Council held on Monday the 13th of

January, 2020

