

MINUTES OF SPECIAL MEETING OF WICKLOW COUNTY COUNCIL TO CONSIDER THE LOCAL PROPERTY TAX (LPT) AND THE SETTING OF THE LOCAL ADJUSTMENT FACTOR HELD IN THE COUNCIL CHAMBER, COUNTY BUILDINGS, WICKLOW ON MONDAY 23rd SEPTEMBER 2019, COMMENCING 2PM

PRESENT:

COUNCILLOR I WINTERS, CATHAOIRLEACH, COUNCILLORS T. ANNESLEY, 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, R. O'CONNOR, G. O'NEILL, L. SCOTT, J. SNELL, E. TIMMINS, G. WALSH, AND J. WHITMORE

APOLOGIES:

COUNCILLORS J. BEHAN AND P. O'BRIEN

IN ATTENDANCE:

**MR. F. CURRAN, CHIEF EXECUTIVE
MR. B. GLEESON, HEAD OF FINANCE
MR. S. QUIRKE, DIRECT OF SERVICES
MR. J. LANE, DIRECTOR OF SERVICES
MR. T. MURPHY, DIRECTOR OF SERVICES
MR. M. NICHOLSON, DIRECTOR OF SERVICES
MR. L. FITZPATRICK, HEAD OF IS SUPPORT
MS. L. GALLAGHER, SENIOR EXECUTIVE OFFICER/MEETINGS ADMINISTRATOR
MS. B. MCCARTY, FINANCIAL ACCOUNTANT
MR. D. MARNANE, A/SENIOR ENGINEER
MS. C. FLOOD, SENIOR EXECUTIVE OFFICER
MS. T. O'BRIEN, SENIOR EXECUTIVE OFFICER
MS. H. DENNEHY, SENIOR EXECUTIVE OFFICER
MS. J. CARROLL, SENIOR EXECUTIVE OFFICER
MR. D. KEYES, ADMINISTRATIVE OFFICER
MS. K. BOYLE, IT SUPPORT
MS. G. LANG, ASSISTANT STAFF OFFICER
DEPUTY PAT CASEY**

Votes of Sympathy

Elected Members passed votes of sympathy to the families of the late Mrs. Theresa McCarthy, Mrs. Sheila Dempsey, Mrs. Nancy Minogue and Mr. David Browne. A minute silence was held for the deceased.

It was then agreed to take a 10 minute break to deal with technology issues. The meeting reconvened at 2.15 p.m.

ITEM NO. 1

To consider the variation of the basic rate of Local Property Tax and the setting of the Local Adjustment Factor in accordance with the Finance (Local Property Tax) Act 2012 (as amended) to apply for the period of one year from the next local property tax liability 1st November, 2019.

Elected members were circulated with the following reports:-

1. Report of Chief Executive dated 18th September, 2019 to Members: On the matters to which Wicklow County Council shall have regard to in the setting of the Local Adjustment Factor from the Chief Executive, Mr. Frank Curran and
2. Circular Fin 05/2019 dated 31st July, 2019 received from the Department of Housing, Planning and Local Government; RE: Provisional Local Property Tax Allocation, 2020- Wicklow County Council.

Mr. B. Gleeson, Head of Finance gave a presentation on LPT and the setting of the Local Adjustment Factor under the following areas:

- Summary
- 2020 Budget Process
- Local Property Tax
- 2020 LPT Allocation (Circular Fin 05/2019)
- LPT – Matters to which we must have regard
- 2020 Budget Challenges
- Draft Budget 2020 – Additional Costs
- 2020 Additional Expenditure Requests
- 2020 Draft Budget – Income and Expenditure
- LPT – Matters to which we must have regard
- LPT – Potential Impact on a Liable Person
- LPT – Potential Impact on a Liable Person
- LPT Impact on 2020 Revenue Budget
- LPT – Potential Impact on Existing Service Delivery
- LPT – Potential Impact on Existing Service Delivery
- LPT Rate Increases in other Local Authorities
- 2020 LPT Rate Variation Recommendation

In concluding Mr. Gleeson advised that recommending an increase in the base rate of 15% would generate an additional €2.6m for the revenue budget in 2020 and the extra revenue could be ringfenced for projects which will benefit the people of County Wicklow as set out in the report circulated covering areas such as : Ringfencing for MD Discretionary funds, matching fund requirements for special projects, climate action, energy efficient, new rates incentives scheme and the community grants scheme.

Elected Members made the following contributions, and raised queries which were responded to by the Head of Finance.

- View expressed that the LPT should be in funding areas such as public parks, libraries and open spaces, leisure amenities and maintenances of streets and street lighting etc, and that at no stage was it intended to be used to cover expenditure such as gratuities, pension deficits, etc.
- Query as to how much is expended on legal fees by the Council
- Reference made to the fact that not all homeowners are paying the LPT and to the large proportion contributed by Wicklow residents going to the equalisation fund and that this is an unfair tax burden
- View expressed that national pay agreements and additional pension costs etc should have been dealt with at national level
- Unfair that 20% of the LPT that is collected in Wicklow leaves the County and the deferral of the LPT review nationally has left the Council in a very compromised position in that since 2013, there are almost 4,500 houses that are not included in the LPT net.

- Tribute paid to CE on the increased number of projects for the County and the funding that has come into the County. Reference made to the projects outlined on page 7 of the report totalling some €56m
- Reference made to the discretionary funds for the municipal districts which is making a huge difference to areas and looking at the figures view expressed that increasing the LPT may have to be considered.
- 20% to the equalisation fund is unfair on County Wicklow and view expressed that the Council should be receiving additional funds for supplying 90% of Dublin's water which is a significant cost.
- View expressed that the LPT system is not fit for purpose and County Wicklow is disadvantaged and call for the TDs of County Wicklow to call for a review nationally
- Reference made to the projects listed that there has to be transparency as to how they are picked. View expressed that all feasibility studies incurring large expenditure, should come to the elected members first.
- Reference made to the property values in Greystones and that the revenue generated there does not come back into the area.
- View expressed that the LPT is a failed policy, out of date, out of touch and not fit for purpose
- A very small percentage of public monies is given back to local authorities to do the good work that they do and to allow councillors to do the work they want to do and represent their constituents, no elected member wants to raise the LPT but we have to be responsible, it is a tough decision but if we miss out not having match funding for Urban Regeneration Fund projects we will be doing the people of Wicklow a disservice.
- View expressed that national mismanagement is being picked up at local level by those who cannot pay and that this needs to be recognised. View expressed that it is not the easy decision to not support an increase in the LPT.
- View expressed that it is unfair on householders that some that 4,500 homes are excluded and assurances sought that if the LPT is increased that it is for one year only.
- View expressed that to support an increase in the LPT is endorsing the LPT as a tax model
- Reference made to the provision that a decision needs to be made by the 30th of September by legislation and that in relation to hardship cases, waivers can be applied for.
- No elected member wants to see an increase in LPT and that centrally there should be something done about the equalisation fund particularly that counties benefiting from the fund do not reduce their property tax. View expressed that the LPT needs to be increased to safeguard new projects
- View expressed that it is not an easy decision to vote against the property tax, as it has implications.

Cllr. T. Fortune put forward the following proposal: *'The following options to be reviewed and discussed over the next 8 weeks prior to our budget meeting on 25th November, 2019:*

- *We keep our 20% equalisation fund for the next 12 months*
- *Review and consider delay of some projects for the next 12 months*
- *Borrow the funding for the next 12 months (director says he has to borrow €8m for LED) projects, add €2.5m on this figure*
- *Root and branch cost overview across all director areas*
- *Pension fund has to be a national cost*

Expertise be provided to members to this vital review carried out across all of these areas. This require full focus over the next 8 weeks'

Cllr. J. Whitmore put forward the following proposals:-

1. That Wicklow County Council write to the Minister and ask that he abolish the 4% interest fee that applies to people that have deferred their payments (seconded by Cllr. T. Fortune and agreed)
2. That all feasibility studies above €100,000 have to come before the Chamber prior to sign off (agreed to include this information in the Chief Executives monthly report).
3. That all projects selected for funding come to the Municipal Districts for discussion (seconded by Cllr. P. Leonard and agreed).

Mr. Brian Gleeson, Head of Finance thanked all of the elected members and responded to the queries raised. He acknowledged that it is not an easy decision to increase the LPT but that it would be a more difficult decision at budget time in November seeking to cut services and ringfencing funding for specific projects. In relation to the proposal put forward by Cllr. T. Fortune, he advised that the council cannot retain the 20% equalisation as the Council does not receive it in the first instance.

In relation to projects submitted under the Regional Development Fund grant process, the CE advised that at the beginning of the year all projects are examined across the County and are submitted as they are ready and as they come in and are ready to go.

Cllr. S. Cullen proposed *‘That this Council increase the Local Property Tax by 10% on the basis that the increase revenue be used as match funding for projects across the county and that the discretionary fund be kept at €2m (subsequently amended to €1.7m as the €300,000 in 2019 was from the capital account which was now exhausted) for 2020. This should be for a period of one year.’* This was seconded by Cllr. I. Winters, Cathaoirleach.

In relation to the proposal put forward by Cllr. T. Fortune, the Chief Executive advised that the 20% equalisation fund could not be withheld, the holding back of projects might result in losing grant aid, as normally projects had to be completed within the year and that borrowing for the revenue account is not permitted. In terms of the request to carry out a root and branch cost overview across all director areas, the CE advised that this would be carried out in detail as part of the budget process. It was noted that the proposal was a ‘menu of items’ which required consideration and the involvement of the elected members.

At the conclusion of the discussion the Cathaoirleach thanked the elected members for their contribution and while the LPT is separate from the budget process, both cannot be done in isolation and she thanked the Chief Executive and the Head of Finance for conjoining them in as far as possible.

Cllr. J. Snell proposed *‘That the Local Property Tax remain at the current 2019 baseline and that Wicklow County Council not increase the LPT for 2020’* which was seconded by Cllr. M. Kavanagh.

The proposal put forward by Cllr. J. Snell and seconded by Cllr. M. Kavanagh, *‘That the Local Property Tax remain at the current 2019 baseline and that Wicklow County Council do not increase the LPT for 2020’* was put to a vote and following a roll call was defeated by a margin of 8 votes for, 21 against and 1 abstaining and 2 not present viz:-

FOR (8)	CLLRS M. CREAN, M. KAVANAGH, P. LEONARD, G. MCMANUS, D. O'BRIEN, G. O'NEILL, J. SNELL AND E. TIMMINS.
AGAINST (21)	CLLRS T. ANNESLEY, V. BLAKE, S. BOURKE, M. CORRIGAN, A. CRONIN, S. CULLEN, G. DUNNE, A. FERRIS, P. FITZGERALD, A. FLYNN KENNEDY, P. GLENNON, P. KENNEDY, S. MATTHEWS, D. MITCHELL, J. MULLEN, M. MURPHY, R. O'CONNOR, L. SCOTT, G. WALSH, J. WHITMORE AND I. WINTERS.
NOT PRESENT (2)	CLLRS. J. BEHAN AND P. O'BRIEN
ABSTAINING (1)	CLLR. T. FORTUNE.

The proposal put forward by Cllr. S. Cullen and seconded by Cllr. I. Winters, Cathaoirleach, *‘That this Council increase the Local Property Tax by 10% on the basis that the increase revenue be used as match funding for projects across the county and that the discretionary fund be kept at €1.7m for 2020. This should be for a period of one year.’* was put to a vote and following a roll call was passed by a margin of 21 votes for, 8 against 2 not present and 1 abstaining viz:-

FOR (21)	CLLRS T. ANNESLEY, V. BLAKE, S. BOURKE, M. CORRIGAN, A. CRONIN, S. CULLEN, G. DUNNE, A. FERRIS, P. FITZGERALD, A. FLYNN KENNEDY, P. GLENNON, P. KENNEDY, S. MATTHEWS, D. MITCHELL, J. MULLEN, M. MURPHY, R. O’CONNOR, L. SCOTT, G. WALSH, J. WHITMORE AND I. WINTERS.
AGAINST (8)	CLLRS M. CREAN, M. KAVANAGH, P. LEONARD, G. MCMANUS, D. O’BRIEN, G. O’NEILL, J. SNELL AND E. TIMMINS.
NOT PRESENT (2)	CLLRS. J. BEHAN AND P. O’BRIEN
ABSTANING (1)	CLLR. T. FORTUNE.

THIS CONCLUDED THE BUSINESS OF THE MEETING

**CLLR. IRENE WINTERS
CATHOAIRLEACH
WICKLOW COUNTY COUNCIL**

**MS. LORRAINE GALLAGHER
SENIOR EXECUTIVE OFFICER/
MEETINGS ADMINISTRATOR**

Confirmed at meeting of Wicklow County Council held on Monday 4th November, 2019.