



Comhairle Contae Chill Mhantáin

WICKLOW COUNTY COUNCIL

Róinn an Airgeadais - Finance Department

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Ár dTag / Our Ref:

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7th April 2015

To the Cathaoirleach and Members of Wicklow County Council

The Local Government Act 2001 requires a report to be presented to the Elected Council indicating the programme of capital projects to be undertaken over the forthcoming three-year period. The proposed Capital Investment Programme (C.I.P.) 2015 - 2017 is attached to this report. The proposed programme will be presented by the relevant Director, together with the Annual Service Delivery Plan 2015, at the Council meeting of April 13th 2015.

The 2015 - 2017 CIP, in accordance with the Local Government Act 2001, sets out the proposed capital investments over the three years. It details ongoing and potential future projects with their associated estimated costs for each of the three years. In addition it identifies the potential sources of funding for the projects.

The CIP provides an indication of the investment Wicklow County Council would like to undertake over the forthcoming three years. It is not a guarantee of the commencement or completion of these projects. Under the Act the Local Authority is required to take a realistic and prudent assessment of the investment required together with the resources available to it.

Preparing the CIP facilitates future capital investment planning, identifies the programme of works for the forthcoming years and highlights the resources needed to deliver these projects. Through this, the Council can prioritise projects on the basis of available funding, level of need/urgency, and creation of future development opportunity.

There are many worthwhile and necessary projects listed on the CIP 2015 – 2017. However their ultimate realisation is critically dependant on availability of funding. The CIP is a rolling programme within which the status and viability of all potential projects is reviewed annually.

As Irish Water was established as the sanitary authority from 1st January 2014, it is now responsible for the development of a capital investment strategy for national water services. Since 2014 work is continuing on “in-flight” schemes for Wicklow County



Council. The Council will work with Irish Water to advance future necessary investment in water services infrastructure to ensure the continued development of the County.

Context

2015 has finally brought an end to a long era of budgetary austerity for the Irish economy. The seven years of austerity from 2008 to 2014 had a dramatic impact on exchequer funding for all capital projects. At the same time, the funding source from development contributions collapsed due to the serious economic set back experienced in Ireland. The environment for the progression of capital projects over the last number of years has been very restrictive.

The 2015 Wicklow County Council proposed 3 year CIP is at last being presented in a recovering economic environment. Ireland has made a reasonably smooth and increasingly successful return to the global debt markets since exiting the November 2010 EU-IMF Programme of Finance Support in December 2013. The Irish economy is forecast to grow by 3.7% in 2015 marking a third successive year of growth.

We can see this improvement in terms of the increase in grant aid in the proposed 2015 - 2017 CIP for the first time for a number of years. There has also been the announcement on the 1st April from the Minister for the Environment, Community and Local Government of a €1.5billion investment to achieve social housing targets. Wicklow County Council is to receive €31million over the next three years. Note that this has not yet been reflected in the proposed 3 year CIP for consideration as we are awaiting further breakdown between current and capital funding and build, buying and leasing funding.

Notwithstanding these positive signs, the impact of the recovery is only slowly being evidenced in Local Authority capital spending. While there has been improvement in exchequer funding in the form of grant aid, other sources of finance available for capital investment are still limited.

The ability to secure and finance additional borrowings is restricted by Local Authorities contribution to GGB (General Government Balance). The Departments of the Environment, Community and Local Government, and Public Expenditure and Reform are committed to ensuring that the local government sector continues to be managed in balance over the medium term and, in particular, that General Government Balance (GGB) neutrality is again achieved in 2015. This requires that local authorities strictly adhere to the stipulations of FIN 01/2015 together with Circulars LGF 03/09 and 03/10 in terms of ensuring balanced revenue and capital accounts in 2015.

In addition, the Revenue budget provision has allowed for no increase in direct funding, or financing of additional loan repayments to aid capital investment for a number of years. Again in Budget 2015, Wicklow County Council had no scope to expand these capital funding sources. There was no significant availability of additional funds, even after the introduction of Local Property Tax funding, and ensuring a balanced Revenue budget for 2015 simply allowed for maintaining ongoing operational activities.

It is important that Wicklow County Council play our role in facilitating wider economic recovery through capital investment in our County and we should be cognisant of that in framing future Revenue budgets.

Programme Summary

Note that the figures for 2005 – 2017 CIP are for Wicklow County Council including the former Town Councils. All previous figures shown as comparatives, are for Wicklow County Council excluding Town Councils.

The attached 2015 - 2017 CIP details a maximum potential investment of €78.5M over the 3 years. This shows a welcome increase in the proposed 3 Year capital investment programme for the first time in six years.

CIP 2014-2016	€ 43M
CIP 2013-2015	€ 67M
CIP 2012-2014	€129M
CIP 2011-2013	€121M
CIP 2010-2012	€185M
CIP 2009-2011	€608M

The actual capital spend by Wicklow County Council for the last seven years was:

2008	€ 141.0M
2009	€ 98.8M
2010	€ 55.8M
2011	€ 55.1M
2012	€ 50.8M
2013	€ 29.9M
2014	€ 32.5M*

(*2014 figures are subject to completion of AFS 2014)

This spend is further analysed in Appendix 2 and it demonstrates the significant improvement in infrastructure in the County over the last seven years.

The implementation of this proposed investment programme depends on a number of factors:

- Continued Government approval to projects
- Timely delivery of proposed grant aid
- Availability of cash flow
- Ability to secure and finance borrowings
- Staff resources to manage and deliver projects

Conclusion

Per the 2001 Act, the Programme is presented “on the basis of information available to it at the time”. It is a 3-year rolling Programme and accordingly will be reviewed in the light of evolving circumstances and presented to the Council on an annual basis. Appendix 1 provides a summary by Programme Group of the proposed Capital Programme 2015 - 2017 to be presented at the Council meeting of April 13th 2015.

In forecasting the Capital Programme, the Council has taken account of current trends and factors. Correspondingly any changes in these trends or significant developments will have an effect on the projections. In addition external factors such as delays in planning consents, legal challenges and proceedings will lead to changes in the Capital Programme. The CIP 2015 – 2017 endeavours, within the economic limitations, to build on the successful investment by the Council to date and position Wicklow capitalise on future economic growth.


LORRAINE LYNCH
HEAD OF FINANCE

APPENDIX 1

PROPOSED CAPITAL INVESTMENT PROGRAMME 2015 - 2017

PROPOSED CAPITAL INVESTMENT PROGRAMME 2015 - 2017

PROGRAMME GROUP	Expected Outlay				Proposed Funding			
	2015		2016		2017		TOTAL	
	€	€	€	€	€	€	€	€
HOUSING AND BUILDING	6,600,000	6,850,000	6,150,000	19,600,000	-	-	19,050,000	550,000
ROAD TRANSPORT & SAFETY	2,750,000	900,000	-	3,650,000	2,400,000	1,250,000	-	3,650,000
WATER SERVICES	100,000	100,000	100,000	300,000	-	225,000	75,000	300,000
ECONOMIC DEVELOPMENT - DEVELOPMENT MANAGEMENT	1,070,000	1,800,000	2,200,000	5,070,000	-	-	5,070,000	5,070,000
ENVIRONMENTAL SERVICES	65,000	-	-	65,000	-	-	65,000	65,000
RECREATION AND AMENITY	3,979,000	6,247,000	1,220,000	11,446,000	4,121,000	4,220,000	3,105,000	11,446,000
AGRICULTURAL, EDUCATION, HEALTH & WELFARE	22,200,000	10,200,000	6,000,000	38,400,000	-	38,400,000	-	38,400,000
OVERALL TOTAL	36,764,000	26,097,000	15,670,000	78,531,000	6,521,000	63,145,000	8,865,000	78,531,000

NOTES

- 1 Commencement of, and progression on, projects funded fully or in part by Development Charges is subject to the availability of funds.
- Development Contribution Income has collapsed compared to that at the height of economic activity. Therefore in order to progress required vital Infrastructure Projects Wicklow County Council may need to borrow to fund these projects. The loans will have to be funded from future development contributions.
- 2 Where grant aid is not forthcoming the associated schemes cannot progress.
- 3 Other income includes among others, disposal of assets, land and revenue budget provisions.

PROPOSED CAPITAL INVESTMENT PROGRAMME 2015 - 2017

Project Description	Expected Outlay			Proposed Funding				TOTAL
	2015	2016	2017	TOTAL	Dev Charges /borrowings ¹	Grant Aid ²	Other ³	
	€	€	€	€	€	€	€	€
LOCAL AUTHORITY HOUSING								
Construction/Acquisition Programme								
LA Housing Schemes	2,500,000	2,500,000	2,500,000	7,500,000				7,500,000
Glending Remediation Scheme	1,650,000	1,650,000	1,650,000	4,950,000				4,950,000
Special Projects	500,000	500,000	500,000	1,500,000				1,500,000
Energy Efficiency Insulation Measure	1,200,000	1,200,000	500,000	2,900,000				2,900,000
subtotal	5,850,000	5,850,000	5,150,000	16,850,000	-	16,850,000	-	16,850,000
ASSISTANCE TO PERSONS IMPROVING HOUSES								
Housing Adaptation Grant Schemes								
Grants for Private Housing	750,000	1,000,000	1,000,000	2,750,000				2,750,000
subtotal	750,000	1,000,000	1,000,000	2,750,000	-	2,200,000	550,000	2,750,000
TOTAL HOUSING & BUILDING	6,600,000	6,850,000	6,150,000	19,600,000	-	19,050,000	550,000	19,600,000

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- Where Capital Programmes are dependant on the sale of LA houses, without such sales schemes cannot progress

PROPOSED CAPITAL INVESTMENT PROGRAMME 2015 - 2017

Project Description	Total Project Cost	Expected Outlay			Proposed Funding			
		2015	2016	2017	Total	Dev Charges /borrowings ¹	Grant Aid ²	Other ³
€	€	€	€	€	€	€	€	€
ROAD IMPROVEMENT								
National Roads Authority Funding								
National Primary RARIS	300,000	150,000			450,000		450,000	450,000
Newtown/Ballinabaney RIS	-	-			-		-	-
Knockroe Bend Realignment	300,000	500,000			800,000		800,000	800,000
Non National Roads								
Wicklow Port Access and Town Relief Road	65,000,000	2,150,000	250,000		2,400,000		2,400,000	2,400,000
TOTAL ROAD TRANSPORT & SAFETY	2,750,000	900,000	-	3,650,000	2,400,000	1,250,000	-	3,650,000

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Project Description	Expected Outlay			Proposed Funding				
	2015		2016	2017	Total	Dev Charges /borrowings ¹	Grant Aid ²	Other ³
	€	€	€	€	€	€	€	€
PUBLIC WATER SUPPLY								
As per Irish Water Investment Plan 2014 - 2016								
Subtotal	-	-	-	-	-	-	-	-
PUBLIC SEWAGE SCHEMES								
As per Irish Water Investment Plan 2014 - 2016								
Subtotal	-	-	-	-	-	-	-	-
PRIVATE INSTALLATIONS								
Group Schemes	100,000	100,000	100,000	300,000		225,000	75,000	300,000
Subtotal	100,000	100,000	100,000	300,000	-	225,000	75,000	300,000
TOTAL WATER SERVICES	100,000	100,000	100,000	300,000	-	225,000	75,000	300,000

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Project Description	Total Project Cost	Expected Outlay						Proposed Funding							
		2015		2016		2017		TOTAL		Dev Charges /borrowings ¹		Grant Aid ²	Other ³	TOTAL	
		€	€	€	€	€	€	€	€	€	€	€	€	€	
INDUSTRIAL DEVELOPMENT															
Avondale Business Park, Rathdrum	2,500,000	200,000	300,000	300,000	300,000	300,000	300,000	800,000	800,000	400,000	400,000	800,000	800,000		
Dunlavin Industrial Park	2,000,000	100,000	150,000	150,000	150,000	150,000	150,000	600,000	600,000	300,000	300,000	600,000	600,000		
Baltinglass Industrial Park	1,000,000	100,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	100,000	100,000	270,000	270,000		
Ashford Lands	200,000	20,000	50,000	50,000	50,000	50,000	50,000	150,000	150,000	100,000	100,000	300,000	300,000		
Enterprise Centres	400,000	100,000	100,000	100,000	100,000	100,000	100,000	300,000	300,000	550,000	550,000	350,000	350,000		
Blessington Lands	1,000,000	100,000	150,000	150,000	150,000	150,000	150,000	300,000	300,000	550,000	550,000	350,000	350,000		
Kish Lands Arklow	2,000,000	50,000	150,000	150,000	150,000	150,000	150,000	350,000	350,000	350,000	350,000	350,000	350,000		
Subtotal	9,100,000	670,000	1,100,000	1,500,000	1,500,000	1,500,000	1,500,000	3,270,000	-	-	-	3,270,000	3,270,000		
OTHER DEVELOPMENT & PROMOTION															
Wicklow County Campus - Infrastructure works															
Road	2,000,000	200,000	200,000	200,000	200,000	200,000	200,000	600,000	600,000	500,000	500,000	600,000	600,000		
Conversion of top floor to classrooms	500,000	150,000	150,000	150,000	150,000	150,000	150,000	300,000	300,000	300,000	300,000	700,000	700,000		
Courtyard development etc	700,000	50,000	350,000	350,000	350,000	350,000	350,000	700,000	700,000	700,000	700,000	700,000	700,000		
Subtotal	3,200,000	400,000	700,000	700,000	700,000	700,000	700,000	1,800,000	-	-	-	1,800,000	1,800,000		
TOTAL ECONOMIC DEVELOPMENT	12,300,000	1,070,000	1,800,000	2,200,000	2,200,000	2,200,000	2,200,000	5,070,000	-	-	-	5,070,000	5,070,000		

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PROPOSED CAPITAL INVESTMENT PROGRAMME 2015 - 2017

Project Description	Total Project Cost	Expected Outlay			Proposed Funding			
		2015	2016	2017	Total	Dev Charges /borrowings ¹	Grant Aid ²	Other ³
BURIAL GROUNDS		€	€	€	€	€	€	€
Rathbran	122,000	65,000	-	-	65,000	-	-	65,000
TOTAL ENVIRONMENTAL SERVICES	122,000	65,000	-	-	65,000	-	-	65,000

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PROPOSED CAPITAL INVESTMENT PROGRAMME 2015 - 2017

Project Description	Total Project Cost	Expected Outlay			TOTAL	Dev Charges /borrowings ¹	Grant Aid ²	Other ³	TOTAL
		2015	2016	2017					
OTHER DEVELOPMENT & PROMOTION									
Tourism/Wicklow Outdoor recreational strategy/recreational trails/feasibility study	30,000	20,000	70,000		120,000	30,000	90,000		120,000
subtotal	30,000	20,000	70,000		120,000	30,000	90,000		120,000
PROMOTION OF INTEREST OF LOCAL COMMUNITY									
Ballynagran Environmental Fund	345,000	150,000	560,000	1,055,000				1,055,000	
Social Capital/Sports Capital	-	150,000	150,000	300,000		150,000	150,000		300,000
subtotal	345,000	300,000	710,000	1,355,000		150,000	150,000	1,055,000	1,355,000
LIBRARIES									
Wicklow	5,000,000	5,000,000	5,000,000	5,000,000	1,250,000	3,750,000			5,000,000
Arlow Library/Area Office	5,800,000	2,850,000	50,000	2,850,000	1,000,000	10,000	20,000	20,000	2,850,000
subtotal	2,850,000	5,050,000	-	7,900,000	2,260,000	3,770,000	1,870,000	7,900,000	
PARKS & OPEN SPACES									
Community Infrastructure - Grants	300,000	100,000		100,000					
Community Centres	-	-	-	-	100,000	100,000			100,000
subtotal	300,000	-	100,000	-	100,000	100,000	-	-	100,000
OTHER RECREATION & AMENITY									
Playgrounds									
Community Initiative LEADER funded play/teen/recreational	1,200,000	100,000	100,000	100,000	200,000	200,000			200,000
Kilcoole	150,000	182,000			182,000	182,000			182,000
Newtownmountkennedy	200,000	100,000	262,000		362,000	362,000			362,000
Rathnew	150,000	200,000	162,000		200,000	200,000			200,000
Wicklow Town playground	200,000				162,000	162,000			162,000
Wicklow Park	150,000				75,000	75,000			75,000
Playground Refurbishment/Improvement		60,000	150,000	110,000	300,000	300,000			300,000
Arts		50,000	80,000	80,000	210,000	210,000			210,000
1% for Arts schemes/Music Generation		50,000	80,000	80,000					
subtotal	2,050,000	754,000	777,000	440,000	1,971,000	1,581,000	210,000	180,000	1,971,000
TOTAL RECREATION & AMENITY									
		3,979,000	6,247,000	1,220,000	11,446,000	4,121,000	4,220,000	3,105,000	11,446,000

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Project Description	Total Project Cost	Expected Outlay			Proposed Funding				
		2015	2016	2017	Total	Dev Charges /borrowings ¹	Grant Aid ²	Other ³	
OPERATION / MAINTENANCE PIERS & HARBOURS	€	€	€	€	€	€	€	€	
Avoca River (Arklow) Flood Relief Scheme	14,400,000	300,000	5,000,000	5,000,000	10,300,000		10,300,000	-	10,300,000
River Dargle Flood Defense Scheme	46,000,000	21,900,000	5,200,000	1,000,000	28,100,000		28,100,000		28,100,000
TOTAL AGRICULTURAL, EDUCATION, HEALTH & WELFARE	60,400,000	22,200,000	10,200,000	6,000,000	38,400,000		38,400,000	-	38,400,000

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APPENDIX 2

Capital Expenditure 2008 - 2014

Programme Group	2008 €	2009 €	2010 €	2011 €	2012 €	2013 €	2014* €
Housing and Building							
Road Transportation and Safety	47,488,843	17,790,378	15,144,571	9,248,357	13,793,988	8,025,472	8,909,563
Water Supply and Sewerage	29,648,795	37,286,081	22,687,171	16,031,660	6,095,031	4,184,129	5,097,929
Development Incentives and Control	31,266,814	22,013,731	9,540,172	17,950,099	26,370,657	9,552,083	2,624,112
Environmental Protection							
Recreation and Amenity	2,964,749	12,225,623	695,622	1,230,408	688,072	1,190,000	810,242
Agriculture Education Health & Welfare	4,324,770	1,870,926	596,178	1,807,052	645,800	1,969,849	6,991,103
Miscellaneous Services	12,860,072	2,202,467	3,303,625	2,427,615	307,120	611,430	2,610,632
GRAND TOTAL	141,025,400	98,805,156	55,758,289	55,118,617	50,751,040	29,934,528	32,529,818

* These figures are subject to change pending completion of AFS 2014. Please note that 2014 figures are Wicklow County Council after amalgamation with dissolved Town Councils.

