

CARLOW COUNTY COUNCIL
COMHAIRLE CHONTAE CHEATHARLOCHA
DRAFT BUDGET REPORT 2010

To the Cathaoirleach and Each Member of Carlow County Council

Dear Councillor,

Attached for your consideration is the draft Budget for Carlow County Council for the 2010 financial year.

Overview

As you are aware, a decline in the economy has occurred which has led to a serious deterioration in the revenues of the State Exchequer. Spending had been substantially reduced across central Government departments with a consequential reduction in funding for Local Authorities. This factor combined with local issues principally, the collapse of income from waste management and the difficulties securing the Council's income from rates and charges has resulted in the most serious financial challenge to Carlow County Council in many decades. A root and branch analyses has been carried out on all services and tough and unpopular decisions are now required. If the current difficulties are not addressed in this Budget then the future stability of the Council will be undermined. Having said that, I am confident that the Council can continue to provide quality services for the citizens of Carlow albeit at a reduced level or in an alternate fashion. I am also conscious that it would be inappropriate in the current economic climate to seek to increase charges to the public or businesses in Carlow.

In the preparation of the 2010 draft Budget and the allocation of recourses to the various services, I was obliged to have regard to a reduction of €3.76 million in the Council's revenue when compared with the 2010 adopted Budget. The total expenditure contained in the 2010 draft Budget amounts to €49.588 million, a reduction of € 2.248 million on the 2009 adopted figure. Adjusting for the net movement in the cost of agency services provided on behalf of the Department of Education the actual effective reduction is €3.76 million.

Budget Drivers 2010

The detailed statutory and explanatory Budget tables are contained later in the report. The significant drivers when compared with the 2009 Budget are summarised as follows.

- No Increase in commercial rates.
- No increase in charges for goods & services. (*unless statutorily imposed in 2010*)
- Local contribution for housing grants €350,000. (*20% matching funding as in 2009*)
- Local contribution to the roads programme €1 million. (*no reduction*)
- Reduced payroll costs €1.3 million. (*staff numbers reduced by 44 since January 2009*)
- Reduced Staff Training and recruitment costs €145,000.
- Reduced income from services €2.29 million. (*principally waste management*)
- Reduced income from road grants €740,000.
- Reduced Local Government Fund €1.17 million. (*net of pension levy deductions*)
- No capital provision for waste management infrastructure/rehabilitation.
- Re organisation of waste management / recycling services & facilities.
- Re organisation of water & waste water services.
- Re organisation of machinery yard services.

Community Related Activities

At the pre Budget meetings with the Corporate Policy Group (*Budget Committee*) the members requested a summary of the proposed provisions for community related activity in 2010 which I have detailed below. In the preparation of the draft Budget while endeavouring to ensure adequate provision for essential services I was conscious that the momentum built up in these areas should be maintained and I believe that the provision of €252,000 included will achieve that goal.

	ADOPTED BUDGET 2009	DRAFT BUDGET 2010
ANNUAL CONTRIB. TO CARLOW TOURISM	60,000	60,000
COMMUNITY PROJECTS ASSISTANCE	60,000	60,000
CARLOWS PRIDE OF PLACE	45,000	40,000
FLORAL TRAIL FESTIVAL	15,000	12,000
ANNUAL CONTRIBUTION TO S.E.R.T.O.	12,500	10,000
CARLOW PERSON OF THE YEAR AWARD	9,000	9,000
CARLOW RURAL TRANSPORT	10,000	8,000
VILLAGE PAINT SCHEME	10,000	8,000
CO OPERATION IRELAND PRIDE OF PLACE	10,000	8,000
DELTA CENTRE	5,000	5,000
CARLOW MANS ASSOCIATION	5,000	5,000
CORPORATE GRANTS	5,000	5,000
FATHER BROPHY LIBRARY	6,500	5,000
CHRISTMAS LIGHTING	4,500	4,500
NATIONAL TREE WEEK	3,000	3,000
CONTRIBUTION TO TULLOW MUSEUM	3,000	3,000
BARROW AWARD SCHEME	2,000	2,000
TULLOW SHOW	1,500	1,500
STUDENT AWARDS	1,500	1,500
MILITARY MUSEUM	1,500	1,500

Principal Service Costs included in the 2010 draft Budget

The principal areas of funding in the draft Budget are as follow:-

- 1. Housing** – Provision of €1.308 million is included for the housing maintenance program. In addition to normal maintenance, provision is included for pre letting repairs, the completion of the soffit and fascia replacement program and the self help scheme. This level of funding will ensure that the existing high standard of service is maintained in 2010. €50,000 is provided to meet the 20% local funding requirement for disability, mobility and aid for the elderly grants. This provision will fund a €1.75 million program of works subject to 80% matching funding from Central Government. Provision is also made for Housing Loan charges, Voluntary Housing Loans charges and RAS. **Total provision €7.712 million.**
- 2. Roads** – To reflect the anticipated funding from road grants available in 2010 provision has been reduced by €740,000 on the adopted or €360,000 on the 2009 outturn figures. In terms of the general maintenance of local roads the Council's internal funding will remain at € 1 million. A comprehensive programme of works will be brought to Council early in 2010 when the actual road grants notification is received. **Total provision €7.376 million.**
- 3. Public Water Production and Waste Water Treatment** – Costs include the operation and maintenance of water & waste water infrastructure, compliance with drinking water directives / water quality monitoring and the waste water licensing requirements stipulated by the Environmental Protection Agency. **Total provision €8.118 million.**

4. Physical Planning and Community Promotion – continued support for planning services, economic development and community initiatives. **Total provision of €2.899 million.**

5. Environmental Protection, Waste Disposal, Recycling, Litter Control, Emergency Services and Pollution Control - expenditure in this area relates primarily to waste management / recycling, emergency services and pollution control. The members have previously been briefed in relation to the financing of waste management in the County. Currently Powerstown cannot compete on price with some of the privately owned facilities due mainly to economies of scale and as a result projected income in 2009 is down by €1.5 million with a further drop of €1.2 million in 2010. (*Cumulative € 2.7 m*). Rationalisation is ongoing but is limited by the conditions of the license. Having made all adjustments to date the service shows a projected loss of €715,000 in the 2010 draft Budget without making provision for capital works. Carlow County & Town Councils will each fund 50% of the loss. If the facility closed there would be continuing costs associated with the license and capital remediation with no intake for waste in the County. If Carlow Local Authorities disposed outside the county, waste arising from street cleaning and other clean up operations, the costs would exceed the subvention now required. So it is proposed that the facility will remain open in 2010 with restricted hours and kept under review. It is also proposed to close Haroldstown with Kernanstown continuing as an unmanned facility. €2.8 million has been allocated in the draft Budget to fund the Council's fire service. **Total provision of €6.678 million.**

- 6. Recreation and Amenity** – As previously approved by Council, €250,000 has been included as a subvention towards the operation of Visual and the George Bernard Shaw Theatre. In addition part of the visual arts element of the Council's general arts programme will be managed through the centre in 2010 to a value of €40,000. Provision has been made for the upkeep of Oak Park and Ducketts Grove and the maintenance of parks/open spaces in Tullow, Muinebheag and the Borris electoral areas. Provision is also included for the Library services in Carlow, Tullow, Bagenalstown and Borris. Despite budgetary constraints the local contribution to the library book fund has been maintained at €100,000. **Total provision of €2.86 million.**
- 7. Agriculture, Education and Health** – provision is made for Food Safety, Higher Education Grants and VEC/ I.T. pensions which are contra items. **Total provision of €9.197 million.**
- 8. Miscellaneous Services** – includes Council plant, local elections, agency services and member's expenses. **Total provision of €4.745 million.**
- 9. Central Management** – includes corporate office accommodation, management services, financial management, staff training and recruitment, health and safety and information technology. Provision is included for internal audit and the audit committee. **Total provision of €6.19 million** – *(apportioned over 1 – 8 above).*

Commercial Rates & Water Service Charges

In prior years despite the escalating costs of service provision which frequently ran to double digits, increases adopted by the Members were modest. The annual rate on valuation (ARV) in Carlow is mid range across the spectrum of Local authorities in the Country. No increase has been projected in the 2010 draft Budget. The following table sets out the distribution of rateable properties in the County. Note that 25% of rate accounts have a demand less than €1,200 and 77% less than €5,000.

DISTRIBUTION OF RATE DEMANDS			
From	To	%	% Cumulative
€	€		
<	1,200.00	25%	
1,200.00	5,000.00	52%	77%
5,000.00	10,000.00	11%	88%
10,000.00	20,000.00	6%	94%
>	20,000.00	6%	100%

The revenue generated from commercial rates is reinvested annually in the County

The charge of € 2.30 per M3 for water services will not increase. In addition the minimum charge will not apply in respect of accounts accruing after January 1st 2010. The Council has spent almost € 2 million metering non domestic consumers and accordingly the meter rental \ standing charge will increase from €15.00 to €35.00 per quarter. The removal of the minimum charge will see a significant reduction in the 2010 demands for customers with low consumption.

Non Principal Private Residence (NPPR) charge

The €200 charge was introduced in 2009 and became payable on July 31st. The Act requires owners to self declare their liability and non compliance is an offence. There is also a late payment penalty fee of €20.00 per month. To date the charge has been paid in respect of circa 2400 properties in Carlow. The income generated less collection costs is apportioned in the 2010 Budget on a 50/50 basis between Carlow Town & County. Circa €240,000 will accrue respectively. The 2010 charge falls due in March 2010. The income generated in 2009 partly offset the €396,000 reduction the Local Government Fund notified in June 2009 post adoption of the 2009 Budget.

Staff related issues

As the Members are aware, there have been very significant staff reductions in the organisation over the last year. In total the staff compliment has been reduced to date by 42 with a further 2 contracts expiring early in the new year. The provision for payroll in the 2010 draft Budget has been reduced by €1.3 million when compared with the 2009 adopted Budget. There is an embargo on recruitment in the public service until the end of 2010. The Council will continue providing services to a high standard but it will be necessary at times to prioritise, introduce rationalisation or provide services in an alternate fashion. In the context of the reduction in pay rates across the public sector announced in the recent Budget by the Minister for Finance notification has been received that 65% of the effective saving realised may be retained by the Council. The precise methodology to be used is not yet determined so I have factored a saving of €265,500 in the draft Budget.

I wish to thank the Council staff for their commitment, flexibility and goodwill and rising to the challenges presented as a result of the current economic climate. I also wish to acknowledge that all staff will have to take a significant reduction in pay with the introduction of the 'pension levy' and the pay cuts approved by Government with effect from January 2010.

Council Activity

In the course of 2009, the Members of the Council dealt with a very significant range of policy and operational matters including:-

Housing

- Housing Capital Allocation €5 million
- 44 Social Houses provided/under construction
- 34 Voluntary Housing Units – under construction with most at an advanced state of completion
- 2 Affordable Houses Sold
- Priority Scheme for Housing Aid for Older People Grants Adopted
- Priority Scheme for Housing Adaptation Grants for People With a Disability Adopted
- Traveller Accommodation Programme 2009 – 2013 Adopted
- Housing (Miscellaneous Provisions) Act 2009 and Legislative Changes Relating to Anti-Social Behaviour
- Scheme of Letting Priorities
- 10 Affordable Houses under construction with most at an advanced state of completion

Planning

- Variation to County Development plan 2006-2009
- County Development Plan 2009-2015 Adopted
- Carrigduff Local Area Plan Adopted
- Variations to Local Area Plans were considered i.e. Rathoe, Borris, Quinnagh, Hanover, Tullow and Muinebheag
- New Development Contribution Scheme Adopted
- Proposed Regional Planning Guidelines, Proposed Planning & Development (Amendment) Bill 2009 and Local Area Plans
- Proposed Planning Bill
- Residential Density Guidelines
- Economic Development
- Wind Turbines/Telecommunications
- Eirgrid Regional Proposals
- Conservation Grants

Transportation

- Roads Grants allocation received of €5.9 m
- Road Work Scheme 2009 Adopted
- Commencement of Part 8 Process in respect of Carlow Eastern Relief Road from the R725 Tullow Road to the R726 Hacketstown Road
- Muinebheag By-Pass Commencement of Part 8 Process
- Tourism/Leisure, Commercial and Temporary Signage Policy on Carlow's Road Network
- Roads Maintenance – Policy/Protocols
- Speed Limits Review
- Traffic Calming at Town & Village approach roads
- Public Lighting
- Administration of Central Government Funding
- Smarter Travel – A Sustainable Transport Future
- Review of Management of Engineering Area

Water Services & Environment

- Water Services Investment Programme 2010-2012 Assessment of Needs 2009
- Completion of Water Metering Programme
- South East River Basin District Management Plan
- Upgrade of Raheenleigh Water Treatment Plan
- Carlow Main Drainage/Flood Relief Scheme
- Upgrade of Borris Water Treatment Plant
- Energy Conservation Scheme
- Carbon Footprint
- Powerstown Landfill
- Unauthorised Waste Activities Enforcement Programme
- Litter Management Plan Consultation Process

Community & Enterprise & Economic Development

- Visual Centre for Contemporary Art and The George Bernard Shaw Theatre Opened
- Arts Programme 2009
- Implementation of Community Initiatives
- Spirit of Enterprise Week
- Carlow CDB Website – Pointing You in the right Direction
www.newstartcarlow.ie
- Establishment of Carlow Local Authorities Business Support Unit

Recreation and Amenity

- Tullow Town Park
- Tourism/Waterways - Promotion of Barrow Valley Study
- Provision of Clogrennane Walking Trail in co-operation with Carlow County Development Partnership Ltd
- Bagenalstown Sports Hall Development completed

Corporate:

- Local Elections 2009
- Adoption of Annual Report 2008
- Establishment and Operation of Joint Policing Committee
- Construction of Borris Library Project
- Higher Education Grant Scheme 2009-2010
- Audit Committee Annual Report 2008
- Re-Establishment of Strategic Policy Committee's
- Re-Constitution of Carlow County Development Board
- Re-Constitution of Community & Voluntary Fora

Strategic Policy Committees

The Council's Strategic Policy Committees – (a) Planning, Economic Development and Cultural Policy (b) Transportation (c) Housing and Social Policy (d) Water Services & Environment (e) Finance, Health & Agriculture under the chairmanship of Cllr. Pat O'Toole, Cllr. Pat Deering, Cllr. William Quinn, Cllr. Jennifer Murnane O'Connor and Cllr. Tom O'Neill have recently been constituted for the term of the new Council.

The Chairpersons of the Council's Strategic Policy Committees up to the 2009 Local Elections were Cllr. William Paton, Planning & Economic Development, Cllr. Fred Hunter, Transportation & Infrastructure, Cllr. John Pender, Housing & Social Policy and Cllr. Declan Alcock, Environmental.

Conclusion

I wish to thank all the members of the Council and the Cathaoirleach Cllr. Michael Doran and his predecessor Cllr. Denis Foley for their continuing work to advance the County and the members of the Corporate Policy Group - Chairman Cllr. Michael Doran, Cllr. Pat Deering, Cllr. Willie Quinn, Cllr. Pat O Toole, Cllr. Jennifer Murnane and Cllr Tom O Neill.

I also wish to extend my appreciation to the Head of Finance and his staff, for their work and assistance with this draft Budget and also to the other Directors of Services, and staff for their input. Achieving a balanced draft Budget has been a difficult task. Using a zero based approach, all service costs have been examined and re examined to ensure that best value will be achieved in 2010 from the scarce resources allocated while continuing to provide services at the highest possible standards. To support competitiveness locally there are no increases in commercial rates or service charges included in this draft Budget.

T Barry

**T. Barry,
County Manager.**