

An Roinn Tithíochta,
Rialtais Áitiúil agus Oidhreachta
Department of Housing,
Local Government and Heritage



12 November, 2020.

Ms. Colette Byrne,
Chief Executive,
Kilkenny County Council,
County Hall,
John Street,
Kilkenny.

A Chara,

As the local authority **plenary budget process** is now underway, as Minister, I, along with my colleague, Minister of State Peter Burke, wanted to take this opportunity to re-state Government's support for the **local government sector**, both in terms of the delivery of government priorities and, **particularly**, in respect of the exceptional leadership shown through the response to the **Covid-19 pandemic**. We are keenly aware of the importance of the work of local authorities across a wide spectrum of issues and we commend the sector for its constructive approach to the challenges of 2020.

In terms of 2020, as you know, Government has allocated €900 million in respect of the 9 month waiver of **commercial rates**. We know our officials have been working with teams across the sector on the allocation of this funding and it now appears that there will be an under-spend of this **funding insofar** as the waiver is concerned. In order to further support local authorities and **ensure** continued service delivery, we are pleased to advise that it is our intention, **in partnership** with our colleague, Michael McGrath TD, Minister for Public Expenditure and Reform, to re-allocate any funding not drawn down under the €900 million rates waiver in 2020 to support local authorities meet costs and income losses that have arisen as a **direct consequence** of the pandemic.

In respect of 2021, while there are positive signs in recent days, the future trajectory of the Covid-19 virus **remains unknown**. Given the degree of uncertainty, it is not possible for Government, at **this time**, to make **open ended commitments** in respect of commercial



rates or other income pressures that may arise next year. It is also likely that, in the event that further supports prove necessary in 2021, such supports will be more targeted than has been the case in 2020. As you will be all too aware, commercial rates are the backbone of local authority income and it is important that ratepayers continue to contribute, where they can do so.

In the context of the 2021 budget process, we would ask that elected members be mindful of the significant commitments made and fulfilled by Government in 2020 and to carry forward the aforementioned constructive approach to your budget adoption process. It is critical that services continue to be delivered to our citizens, that those citizens can maintain confidence in the local government system and that the sector as a whole can build on the significant goodwill towards it, which has only been enhanced by the sector's response to the pandemic.


We acknowledge, of course, that the budget process can be challenging, but it could be detrimental to confidence in local services if a narrative of reductions and retrenchment was to take hold, particularly in light of the financial support provided to local authorities to date in 2020.

Our Department remains available to offer guidance and support to local authority finance teams in the context of the budget process and more generally and you can be assured that as 2021 progresses we will continue to work with you as issues arise. Please circulate this letter to the elected members.

Is sinne le meas,



**Darragh O'Brien, TD,
Minister for Housing, Local
Government & Heritage.**



**Peter Burke, TD,
Minister of State for Local
Government & Planning**