

MIONTUAIRISÍ AN CHRUINNITHE BHUISÉADAIGH REACHTÚIL
A TIONÓLADH DÉ HAOINE, 25 SAMHAIN, 2022 AG 3.00 P.M.



MINUTES OF STATUTORY BUDGET MEETING HELD
ON FRIDAY, 25TH NOVEMBER, 2022 AT 3.00 P.M.

Chair: Cllr. Pat Fitzpatrick

Elected Members: *Council Chamber*

Cllrs. John Brennan, Tomás Breathnach, Michael Doyle, Martin Brett, Peter Cleere, John Coonan, Deirdre Cullen, Maria Dollard, David Fitzgerald, Joe Malone, Michael McCarthy, Andrew McGuinness, Eugene McGuinness, Fidelis Doherty, Pat Dunphy.

MS Teams

Cllrs. Mary Hilda Cavanagh, Matt Doran, Ger Frisby, Denis Hynes, Joe Lyons, Eamon Aylward & Patrick O'Neill.

Officials: Sean McKeown, Martin Prendiville, Mary Mulholland, Tim Butler, Denis Malone, Fiona Deegan, Michael Leahy, Noelle Brett, Mary Cashin, Seamus McGuire, Gerry Tyrrell, Catherine Cooney & Anne Maria Walsh.

Apologies: Cllrs. Michael Delaney.

Cathaoirleach, Cllr. Pat Fitzpatrick welcomed all Members to the Statutory Budget Meeting. He stated that the Council will consider a Budget of €98.75m for the County of Kilkenny for the Year 2023. He invited Mr Sean McKeown to present his Report.

Mr Sean McKeown, Acting Chief Executive advised Members that the Report on the Budget has been circulated and he will take it as read.

He stated that his has been an extremely challenging budget process considering the number of workshops and engagements required over past two months. The Budget as presented is a fair one and takes into account the uncertain economic backdrop we face in the months ahead. The Adoption of Budget is a significant Reserved Function of the Elected Members each year.

The main objective in preparation of this budget has been to protect funding so we can deliver full range of services at the current level. This includes our non-core services and discretionary supports. Clear direction from the many workshops from you as Elected Members in workshops was that there would be no cuts to services. It has been extremely difficult to achieve this taking account of unprecedented inflationary pressures we experiencing. The Council is facing the same rising costs as businesses and households and this is seriously impacting on the services we deliver.

The inflationary pressures include an additional €1.4m required to fund energy costs on our buildings, area offices, libraries, etc. The Government is providing support c€1.1m or 77% - balance to be found by the Council.

Additional funding is required to cover increased cost of services such as Housing Maintenance/void refurbishment and Roads maintenance.

Additional funding also required next year to deliver on core services and to meet our statutory responsibilities in a number of the following areas. All these are detailed in the Budget Book.

- New City Library on Abbey Quarter – fabulous new project which will open 1st half of next year – it will require additional library staff and will have higher running costs.

- Town Regeneration Officer – to work on project to ensure vitality and vibrancy of our towns.
- Maintenance of Greenway in south KK – 1st section open next year.
- Preparation of Council's Climate Action Plan – set out how we will meet our statutory obligations to reduce carbon emissions by 51% by 2030.
- Fire Services – additional staff to carry out inspections of residential and commercial property.

Another challenge that presented to us this year was assisting with provision of accommodation for displaced Ukrainians. We have established a Ukrainian Response Unit. We have so far welcomed around 1,100 Ukrainians. This number is likely to increase next year.

As a Council we have limited income sources. You as Elected Members are required to make a decision each year on the Local Property Tax (LPT) and Commercial Rates. Your decision in September to hold LPT at 2022 level was very welcome. However, LPT income generated is insufficient alone to provide the additional income needed next year. Accordingly, Budget as presented provides for increase in commercial rates of 3%. The Executive did consider recommending a larger increase. However, you the Elected Members made it clear in workshops this was not acceptable. We do acknowledge that an increase in rates in current climate will be difficult for small businesses. It is important to note that commercial rates haven't increased in Kilkenny since 2008. In order to safeguard the smaller rate payers, the prompt payment incentive has been increased to 5.8% (*capped at €250 per rate account*). This means that any business who pay under €4,000 in rates (*74% of ratepayers*) and avail of the incentive will see no increase. Even with 3% increase Kilkenny will still have one of lowest rates of 31 Local Authorities nationally.

While the decision on commercial rates is a difficult decision for Elected Members, it is much more difficult to find savings and make cuts to services. This Budget as presented allows us to maintain funding to our full range of services. In particular this Budget provides for the same level of discretionary funding next year as in the current year.

The main initiatives and groups supported by our discretionary funding include:

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| ❖ Watergate Theatre | ❖ Sports Partnership |
| ❖ Rothe House | ❖ Garda Youth Programme |
| ❖ Kilkenny Tourism | ❖ Estate Management |
| ❖ Kilkenny Archives | ❖ Ossory Youth |
| ❖ Keep Kilkenny Beautiful | ❖ PPN |
| ❖ Tidy Towns | ❖ Kilkenny Arts Festival |
| ❖ Amenity Grants | ❖ Festival & Events Grants – <i>12 Festivals supported this year</i> |
| <i>almost 150 groups supported this year</i> | ❖ Graveyard Grants |

This Budget will also support delivery of our ambitious capital programme. The delivery of the Capital Programme is having a positive impact right across the County. It includes public realm and infrastructure projects such as: improved streetscape, parks, playgrounds and open spaces. These projects enhance the vibrancy and place-making credentials of our towns and villages. It is especially pleasing that Council's on-going work in place-making was a major contributory factor in the decision by Abbott this year to invest in a new production facility in Kilkenny that will create upwards of 850 new jobs when it is up and running.

Mr McKeown recommended to the Members adoption of Budget 2023 as presented and circulated.

Cllr. Pat Fitzpatrick thanked the Acting Chief Executive and invited Mr. Martin Prendiville, Head of Finance to give an overview of the Budget and present details of each Service Division.

Mr. Prendiville advised that the Budget Book was issued to Members on 15th November, 2022. The Budget process commenced in April 2022 with an initial briefing to the Members and in September with the decision on the Local Property Tax which provides additional income of €1.07m. Draft budgetary plans have been adopted by each Municipal District for the General Municipal Allocations subject to funding being available. He advised that discussions are ongoing with Irish Water in relation to finalising a budget for 2023 for Water Services. Draft Budget assumed full cost recovery. We await Road Grant Allocations for 2023 but this does not materially affect the Budget presented.

Mr Prendiville advised that in the preparation of Budget for 2023, a number of factors required to be considered - our current Financial Position & various challenges which have arisen this year and for the year 2023.

He outlined the following challenging areas:

- Post Covid
- Ukraine War
- Inflation rates not seen for 40 years
- National Pay Agreement – Compensation provided for full amount of the increase.
- Funding Challenges in Housing (RAS & Voids)
- Fire Service
- Library Service
- Pension Commitments
- Funding for Capital Programme
- New Mayfair Library opening in 2023
- Increased operating costs
- Energy Inflation – Government Compensation of €1.08m being provided which equates to 77% of the projected additional cost.
- No increase in income from LPT – income from new additions has been offset by the widening of the bands.
- Reduction in Car Parking Income (€230k)
- Reduction in Planning Fee Income of €84k
- Increase in Social Housing rents by €770k reflecting inclusion of additional stock and income derived from rolling rent review.
- IT Investment – Cyber security.
- Hidden Inflation – Housing & Road Maintenance
- All other Non-Payroll costs
- Additional costs will have to be absorbed within existing budgets (*less work for the same money*)

Mr Prendiville outlined the proposed measures included in the Budget to generate additional income:

- *Review of Car Parking charges to generate extra income of €150k to partially offset loss of €230k.*
- *Proposed increase in Commercial Rates of 3% with an increase in the prompt payment discount to 5.8% (capped at €250 per rate account). This will generate additional income of €350k. No net increase in rates payable for 74% of rate payers if they sign up for prompt payments incentive.*
- *Proposed ARV is still one of the lowest of all Local Authorities in the country. There has been no increase in ARV for 15 years.*
- *Income lost to date of €850k from appeals to the Valuation Tribunal*
- *Vacancy refund remains unchanged at 90%.*

Mr Prendiville gave an overview on the following:

Capital Programme:

- 3 year rolling Plan to be presented to Council in the coming months.
- Social Housing Expenditure - €170m – 100% grant funded but requires significant working capital resource to fund.
- Spend excluding housing/roads/fire projects that are 100% grant funded is estimated at €155m.
- Estimated match funding required - €42m.
- €25m of this identified including €8.5m (€5.0m + €3.5m) of term loans.
- This brings the total term loan commitments to €27m.
- Balance on completed capital projects of €8.6m which is being funded over a number of years.
- Cost inflation poses a serious challenge given the number of large projects in the pipeline.

Pension Provision:

- Total pension provision now at €5.0m - No change from 2022.
- 370 pensioners on the books (costing €4.3m).
- Significant number of staff who can retire in the next 12/24 months.
- Pension cost has to be provided for from current spending.

Support for 3rd party organisations:

- The Council has worked with many organisations throughout 2020, 2021 and 2022 - Watergate, Rothe House, Medieval Mile Museum and Butler Gallery, Sports Partnership and other sporting organisations, youth organisations, community groups.
- 2023 will also be very challenging for these organisations.
- Same level of support has been maintained for these organisations in Budget 2023.

Non-Mortgage loans:

- Extra €240k provided to fund the cost of the loan for the public lighting upgrade. This cost is offset by a reduction in the energy costs arising from the replacement of the lights.
- Loans drawn down to date/being serviced - €18.5m
- Total new loans provided for - €8.5m.
- Total Term Loans provided for - €27.0m
- Outstanding commitments on completed projects is €8.6m. being funded in the annual budgets.

Mortgage Loans:

- 557 housing loans with balance owing of €37.4m.
- 59 loans in arrears owing €310k. (Total debt = €2.5m).

Mr. Prendiville referred Members to the Report which outlines the key provisions in the 2023 Budget.

In summary, Mr. Prendiville advised the following:

Total Draft Expenditure.....	€98.748m
Income from Goods & Services	€65.628m
Local Property Tax	€11.745m
Commercial Rates Income.....	€21.375m

At this stage, Mr. Prendiville advised that he will highlight some of the significant items in each Service Division and referred Members to the first Service Area.

1. Service Division A: Housing & Building

Total Expenditure € 22.70m. Total Income € 24.05m.

- Maintenance Budget €2.6m – no change.
- Housing Grants – no change.
- RAS Expenditure - €6m – Reduction in Recoupment of RAS administrative costs and cost of salaries reallocated to other housing areas.
- Income from Rents on Social Units up by €620k.

On the proposal of Cllr. Andrew McGuinness seconded by Cllr. John Brennan and agreed:

"That the expenditure and income in Service Division A was considered and noted."

2. Service Division B: Road Transportation Safety

Total Expenditure € 27.6m. Total Income € 19.88m.

- Road Grant Allocation to be notified in early 2023.
- Local funds maintained at €4.7m.
- Provision for Active Travel salaries which are fully funded are now coded to Capital Account.
- Municipal District Allocation maintained at €200k.
- Car Parking Income - €2.236m, provision of €150K from increase in charges to be implemented in 2023.

On the proposal of Cllr. Michael McCarthy, seconded by Cllr. Martin Brett and agreed:

"That expenditure and income in Service Division B was considered and noted."

3. Service Division C: Water Services

Total Expenditure € 7.26m. Total Income € 7.6m.

- Assumed 100% recovery of costs from Irish Water.
- Public toilets – increased provision of €11K.

On the proposal of Cllr. Andrew McGuinness, seconded by Cllr. Pat Dunphy and agreed:

"That the expenditure and income in Service Division C was considered and noted."

4. Service Division D: Development Management

Total Expenditure € 11.75m. Total Income € 4.89m.

- Provision for Yulefest – no change, grant funding will not be available in 2023, entertainment programme will not be delivered.
- Maintenance of Woodstock Gardens – up €23k.
- Provision for Building Control – up €20k.
- Kilkenny Archives maintained at €12k.
- Planning Income decreased by €84k.
- Local Enterprise Office – increase in expenditure fully funded by Department of Enterprise.
- Increase in Community & Bio-diversity Salaries costs – fully recoupable.
- Urban & Village Renewal – increase due to reallocation of salaries for Broadband officer.
- Provision for Ukrainian Displacement unit – fully recouped.
- Grant income increased due to various initiatives that are funded.

On the proposal of Cllr. Mary Hilda Cavanagh, seconded by Cllr. Andrew McGuinness and agreed:

"That expenditure and income in Service Division D was considered and noted."

5. Service Division E: Environmental Services

Total Expenditure € 13.52m Total Income € 4.05m.

- *Landfill operations up €90K – increased service support costs and salaries.*
- *Litter Management – provision of €30K for Together for Kilkenny Project.*
- *Re-allocation of salary cost across the Service Division.*
- *Fire Services – Payroll costs increased, additional staff member, increase required for service provision in the south of the county, increase in maintenance of buildings/energy costs etc.*
- *Climate Action Salaries fully funded.*
- *Water Quality – up €274K, €210K grant funded.*
- *Water Framework – LAWPRO – fully recouped.*

On the proposal of Cllr. Joe Lyons, seconded by Cllr. Ger Frisby and agreed:

"That the expenditure and income in Service Division E was considered and noted."

6. Service Division F: Recreation & Amenity

Total Expenditure € 8.10m. Total Income € 268k.

- *Libraries – Total Budget up by €599K, increased payroll for new Mayfair Library, IT/Service Contracts, maintenance & Energy costs.*
- *Parks & Open Spaces Operations – increase of €199k for Payroll costs, Greenway, maintenance, inspections etc.*
- *Contributions to Sport & Development up €41k – reallocation of budgets and Social Enterprise grant funded expenditure.*
- *Contribution to Cultural/Arts Bodies – up €86K, additional staff member 75% cost is grant funded.*
- *Amenity Grants – No change.*

On the proposal of Cllr. Andrew McGuinness, seconded by Cllr. Michael Doyle and agreed:

"That expenditure and income in Service Division F was considered and noted."

7. Service Division G: Agriculture, Education, Health & Welfare

Total Expenditure € 692k. Total Income € 483k.

- *Dog Warden Service up €16K*
- *Horse Control – budgets maintained.*
- *Veterinary Service – no change*
- *School Meals – no change.*

On the proposal of Cllr. Fidelis Doherty, seconded by Cllr. Michael McCarthy and agreed:

"That expenditure and income in Service Division G was considered and noted."

8. Service Division H - Miscellaneous Services

Total Expenditure € 6.70m. Total Income € 4.37m.

- *Increase/Re-allocation of salaries costs across this Service Division.*
- *Refund/Rates Strike Off down €769k.*
- *Members Salary and Expenses - no funding to be provided by Department in 2023.*
- *Motor Taxation – salaries up €49k.*
- *Agency/Support Services down €127K.*

On the proposal of. Cllr. Mary Hilda Cavanagh, seconded by Cllr Andrew McGuinness and agreed:

"That expenditure and income in Service Division G was considered and noted."

It was proposed by Cllr. Andrew McGuinness, seconded by Cllr. David Fitzgerald and agreed:

“That for the financial year ending 31st December, 2023, in accordance with Section 31 of the Local Government Reform Act 2014 and SI 226 of the Local Government (Financial and Audit Procedures) Regulations 2014, the owners of vacant premises in all local electoral areas within the Council’s administrative area shall be entitled to avail of a strike off up to a maximum of 90% of the total rates due (less arrears) for 2023.”

It was proposed by Cllr. Mary Hilda Cavanagh, seconded by Cllr. Andrew McGuinness and agreed:

“That for the financial year ending 31st December, 2023, Kilkenny County Council revises the Rates Incentive Grants Scheme to a grant of 5.8% of the 2023 rate demand (excluding arrears) up to a maximum value of €250 subject to the satisfying of existing terms and conditions”

It was proposed by Cllr. Andrew McGuinness, seconded by Cllr. Mary Hilda Cavanagh and agreed:

“That the Budget of Kilkenny County Council for the financial year ending 31st December, 2023 as set out in Table B, be adopted”.

It was proposed by Cllr. Andrew McGuinness, seconded by Cllr. Mary Hilda Cavanagh and agreed:

“That the rates set in Table A, of the Draft Budget of Kilkenny County Council for the year ending 31st December, 2023 be determined in accordance with the said Budget to the Annual Rate on Valuation to be levied for that year for the purposes set out in Table A.”

Cathaoirleach Cllr. Pat Fitzpatrick thanked Mr Sean McKeown, Mr. Martin Prendiville for the detailed overview of the Budget for 2023.

Cllrs. Andrew McGuinness, Mary Hilda Cavanagh and Tomás Breathnach acknowledged all the work involved over the last few months in preparing the 2023 Budget in these difficult and challenging times. Budget 2023 has provided for the protection of the full range of services and grants to organisations and communities and are delighted that the Budget has been passed unanimously. It is important to retain relationship with our communities. It was a difficult decision to increase the rates and they stated that 74% of ratepayers will not be affected by the 3% rate increase if they avail of the Prompt Payment Incentive. The Members thanked their fellow Councillors for engaging fully in the preparation of the Budget and for their attendance at the many workshops. They thanked the Acting Chief Executive and Head of Finance for the time given to all the Members during the preparation of the Budget and for being available to answer these queries at all times.

Mr. Martin Prendiville thanked all involved in the Budget process especially the Elected Members, the Whips and the Cathaoirleach for their contribution and robust discussions on the various issues in the Budget during the Workshops. He also thanked the Management Team, the Finance team, Corporate staff and all staff involved in preparing Budgets and Reports.

He advised that this year and next year will continue to be challenging for the Council.

Acting Chief Executive, Sean McKeown stated that it has not been easy to present a balanced Budget but this process has been a demonstration of the excellent manner in which the Executive and Elected Members must work together to deliver for the people of Kilkenny.

He thanked his colleagues on the Management Team for their input in the preparation of the Budget. He expressed sincere gratitude to Martin Prendiville and his team in Finance for the budget preparations. He also thanked Martin for his dedication and perseverance during the process. He willingly made himself available at all times to Elected Members over the last few weeks and did his utmost to explain, clarify and answer all your queries. He thanked Anne Maria Walsh and Corporate staff for as ever guiding all through the process.

Mr McKeown thanked the Elected Members for their due diligence and careful consideration given to the budget process. He expressed thanks in particular the Whips for their guidance.

Finally, he thanked the Cathaoirleach for his support and all the MD Chairs for your civic leadership throughout the year – it is really appreciated by the Executive and staff.

Cathaoirleach Cllr Pat Fitzpatrick thanked Sean McKeown, Martin Prendiville and all staff for their preparation of the Draft Budget. He thanked all the Elected Members for engaging in the process.

He stated that this was an especially challenging process this year. We the Elected Members are very conscious that the services we deliver as a Council impact on the quality of life of the people of Kilkenny. Tough decisions had to be made and pleased that in this Budget we can protect essential services for citizens and supports to local communities. It is critical as a local authority that we can do this especially given the uncertainty that we face in the months ahead.

He welcomed that this Budget will allow the Council to continue to focus on investment that generates and drives economic activity right across the County, and will enable us to lever a range of national grants schemes to deliver for local communities.

He referred to a number of these projects:

- *Continued regeneration of the Abbey Quarter in Kilkenny City which will be opened next year.*
- *Phase 1 of the repurposing of the former Dunmore Landfill into a wonderful new countryside park for people to enjoy.*
- *Delivery of a campus of the new South East Technological University for Kilkenny. This is a key objective for all the Elected Members in this Council.*
- *Castlecomer Area – the rehabilitation and enhancement of walks in the Castlecomer Discovery Park.*
- *Callan Area - redevelopment and repurposing of the Friary Complex and regeneration of buildings on Bridge Street.*
- *Thomastown Area – the redevelopment of Sessions House to provide a new home for the Design and Crafts Council's internationally renowned School of Jewellery.*
- *South of the County – the construction of the Greenway - the first of the completed sections will be opened early next year.*

He commended the work of all the staff of the Council indoor and outdoor, especially those staff that continue to deliver frontline and emergency services 24-7 for the people of Kilkenny. Concluding, he sincerely thanked all his fellow Elected Members for agreeing this Budget for 2023.

That concluded the business of the meeting.

CATHAOIRLEACH

DATE