

Minutes of Statutory Budget Meeting of Monaghan County Council held in the Hillgrove Hotel, Monaghan on Monday 15th November 2021 at 10.00 am.

Chair: Cllr A. Campbell, Cathaoirleach

Present: Cllrs. Aughey, Bennett, Carthy, Connolly, Keelan, Kerr-Conlon, Maxwell, McElvaney, McKenna, O'Hanlon, P. Treanor, S. Treanor (remotely) and Truell

Mr. P. Clifford, A/Chief Executive, Ms. P. Monahan, Director of Services, Mr. J. Murray, Head of Finance, Ms. O. McConnon, Financial Management Accountant, Mr. C. Flynn, A/Director of Services, Ms. Nuala Woods, A/Director of Services, Ms. M. McGarvey, Meetings Administrator, L. Brannigan, Senior Staff Officer and S. Long, Staff Officer.

Apologies: Mr. E. O'Sullivan, Chief Executive, Cllrs. Conlon, Gilliland

At the outset the Cathaoirleach welcomed all present to the Statutory Budget meeting for 2022. He stated that a lot of hard work had gone into the preparation of the Draft Budget particularly by John Murray, Head of Finance and Olga McConnon, Financial Management Accountant and the Corporate Policy Group (CPG). The CPG had met on two occasions during the budget process on 28th October and 2nd November.

Budget 2022

The Deputy Chief Executive stated that in accordance with the Local Government Act 2001, as amended by the Local Government Reform Act 2014, the annual budget for 2022 has been prepared in consultation with the Council's Corporate Policy Group and provides for expenditure of €73,849,798 for the year ending 31st December 2022.

In framing the budget for 2022, he had taken into consideration the COVID-19 pandemic and the extraordinary impacts on every one of us as individuals, as workers, as business owners and as communities. He had also considered the views of the elected members, with a continued emphasis throughout 2022 on the key areas of service delivery, including:

- The maintenance and improvement of key infrastructure and essential services
- The delivery of the Housing for All Capital Programme
- The regeneration and development of our towns and villages
- Economic and Enterprise development and job creation
- Climate Action

He added that the preamble to the Budget report demonstrates the work being undertaken by the staff in accordance with the policies developed by the elected members. In 2022, the Council will continue to prioritise the planning and delivery of a number of key capital projects. In accordance with the Local Government Act 2001 as amended, the three-year Capital Programme 2021-2023 is also circulated for noting by the elected members.

Considerable effort has been made by all members of the Council's Management Team and their staff to produce a Draft Budget that will ensure that the Council continues to provide high quality public services and develop infrastructure for the people of County Monaghan.

He thanked all involved with the preparation of the draft Budget 2022 and looked forward to the continued support of the elected members in 2022. He commended the draft Budget to the Council.

Mr. J. Murray, Head of Finance gave a financial overview to the members. He advised members that because of the current situation we are in, it is not proposed to change the rate on valuation for 2022 and it will remain the same as was in 2020 and 2021 at 0.2260. He advised, however, that an increase in the rate of valuation was something that the members might wish to consider for future Budgets if the Council wanted to continue to invest in the county.

He explained that every Local Authority receives a minimum amount of funding under the LPT allocation process, known as the Baseline. Baselines have remained unchanged for a number of years and are linked to funding previously received as a General Purposes Grant. The baseline for Monaghan County Council is €11,238,572. The baseline allocation for Monaghan County Council will increase for 2022 by €580,565 due to the decision of the Council to increase the base rate of LPT by 15% for the year. This increase was also applied for 2020 and 2021. This discretionary element of the Local Property Tax is allocated directly to the Municipal Districts resulting in an allocation of €337,043 for each Municipal District (MD) for 2022. The Local Property Tax allocation for Monaghan County Council for 2022 is €11,819,137.

The calculation of the LPT Allocation for Monaghan County Council received from the Department of Housing, Local Government and Heritage for 2022 is as follows

LPT 100% raised locally (prior to adjustment)	3,870,435
less LPT 20% to Equalisation Fund	774,087
LPT Retained Locally (80%)	3,090,348
Distributed from Equalisation Fund	8,142,224
2022 LPT Baseline	11,238,572
Increased Allocation Arising from Base Rate Adjustment	580,565
Total LPT Funding for 2022	11,819,137

Mr Murray also informed members that the way in which the LPT was administered was going to change in the future. Under the current system the LPT raised in a county was retained in the county and there was an Equalisation Fund to compensate counties with a low rates base. Co Monaghan had received €8,142,224 from the Equalisation Fund for 2022 and the total LPT funding for 2022 was €11,819,137. Mr Murray stated that this was the last year LPT status quo and changes would be made by Government in the coming year.

2020 and 2021 have been unprecedented years due to the significant impact of the global pandemic on the Local Authority sector as well as many other organisations, businesses and individuals. As a response to the reduction in income for many businesses due partially to temporary closures, the government introduced financial supports to businesses, two of which were a Rates Waiver and the Restart Grants. The Rates Waiver scheme applied to most businesses with limited exceptions from April to December 2020 inclusive. A more limited waiver applied in 2021 mainly to properties in the Leisure, Hospitality and Retail Properties that are less than 500 square meters and other miscellaneous services most severely impacted by Covid - 19. These

waivers are applied as a credit by the Council and did not necessitate an application from the business owner. The value of the waiver to businesses in County Monaghan in 2020 was €6.14m. The estimated value of the waiver for 2021 is €4m.

Another financial support provided to businesses in 2020 was the Restart Grants. The Restart Grants were based on the Rates payable by the business (with some limited exceptions) in 2019. Most businesses operating from a rateable premise were eligible for the grant. Monaghan County Council paid €9.1m to businesses in the county in 2020. The Business Restart Grant was replaced in 2021 by the Covid Restrictions Support Scheme operated by Revenue.

These Government financial supports benefited the Local Authority sector financially in 2020 and 2021 as rates collections and therefore bad debts would have been significantly negatively impacted due to reduced rates collection if not for this assistance.

Mr. Murray stated that Monaghan County Council's Revenue Account deficit peaked at €2,879,915 in 2014 following the abolition of the Town Councils and the amalgamation of their accounts with the County Council accounts. The deficit at 31st December 2020 was €1,865,179. Although the deficit is being reduced it remains a significant concern for the Council.

In preparing budgets since 2020 consideration has to be given to the amount of potential leakage of rates from appeals to the Valuation Tribunal that is contained in the Rates Limitation Order (RLO). The amount for leakage contained in the RLO for 2020 and 2021 was €538,000. For 2022 the budget provision for the RLO has been reduced by €38,384 to reflect the reduction in valuations arising from appeals that have been determined. The amount of the RLO is expected to reduce in future years as more appeals are determined. However, these appeals will reduce the future overall Net Effective Valuation (NEV) of the County. The reduction in the RLO and the NEV should cancel each other out and have no overall impact on the budget. The amount provided for RLO in 2022 is €499,616 and this amount is included in the irrecoverable rates provision of €2,639,616 contained in the budget.

He stated that having regard to estimated gross expenditure and income for 2022 the annual rate on valuation would be 0.2260, which was the same as 2021.

The Cathaoirleach invited the Head of Finance to outline the provisions of the Draft Budget for 2022 under the various divisions.

Division A – Housing and Building:

Mr. J. Murray, Head of Finance outlined the proposed expenditure and income provision for 2022 under this division.

Matters raised by the members included the following:

- *Housing Supports – Vacant Homes Officer*
- *Grant Aids*
- *Home Adaption Grants*
- *Approved Housing bodies*
- *Repair & Lease Scheme*

Mr. J. Murray, Director of Housing responded to the matters raised.

Division B – Roads Transport and Safety:

Mr. J. Murray, Head of Finance outlined the proposed expenditure and income provision for 2022 under this division. He stated that the out-turn for 2021 budget provision will generally form the budget for 2022. He stated that the budget for public lighting remains at the same level as previous years to allow advancement of the LED retrofit programme.

Matters raised by the members included the following:

- *Reclaimed Asphalt/CBGM projects*
- *Potholes*
- *CIS*
- *Local tertiary roads / funding*

Ms P Monahan, Director of Roads, responded to the matters raised.

On the proposal of Cllr PJ O'Hanlon, seconded by Cllr S Coyle, it was agreed that this Council call on the Minister for Transport to facilitate a meeting with the Director of Services for Roads and a member from each political grouping in relation to providing additional funding for local roads in Co Monaghan.

Division C – Water Services:

Mr. Murray informed the members that the net cost to the Council of the Water Services budget for 2022 was circa €170,000 and related mainly to public conveniences and the administration of the Group Water Schemes.

Division D – Development Management

Mr. John Murray, Head of Finance outlined the proposed expenditure and income provision for 2022 under this division. The slight increase reflects staff vacancies. The main costs in the Development Management budget is payroll – no real discretion in this budget.

Division E – Environmental Protection

Mr. John Murray, Head of Finance outlined the proposed expenditure and income provision for 2022 under this division. He stated that the increase in Fire Services budget is mainly due to payroll, new radio equipment costs and Dublin Fire brigade national call taking system.

Mr Murray advised that Climate Adaptation budget spend will be determined by the level of grants that comes from the Department. Climate Adaptation is taking place across every section of the council so is not all captured under the Climate Change and Adaption job code.

Division F – Recreation and Amenity

Mr. Murray outlined the proposed expenditure and income provision for 2022 under this division. He stated that there will likely be an increased budget request when the Peace Campus opens in 2023.

Division G – Agriculture, Education, Health and Welfare

Mr. Murray outlined the proposed expenditure and income provision for 2022 under this division.

Division H – Miscellaneous Services

Mr. Murray outlined the budget provision for this division. He stated that full provision had been made in budget for the Moorehead report. The Department will fund Moorehead implementation for 2022. He advised that Rates Refunds/Irrecoverable rates were down approximately €38,000 as a result of successful appeals to the Valuation Tribunal. Mr Murray explained and outlined the apportionment of the Central Management Charge across all budgets as follows:

- Division A – Housing and Building 11%
- Division B – Roads Transport and Safety 26%
- Division C – Water Services 10%
- Division D – Development Management 19%
- Division E – Environmental Protection 10%
- Division F – Recreation and Amenity 11%
- Division G – Agriculture, Education, Health and Welfare 1%
- Division H – Miscellaneous Services 11%

Matters raised by the members under this heading included the following –

- *Coroners – why has the Council to cover these costs.*
- *Motor Tax Online*
- *Increase in IT budget*
- *New Civic Offices / Cost of Rents*

The Head of Finance and the Chief Executive responded to the matters raised.

New Civic Offices

Clr Connolly stated that he could not support the Budget 2022 as it included provision for new Civic Offices, given the current climate. He stated that buildings such as Monaghan Library, which the Council are proposing to sell, should be retained, refurbished and used as Council offices.

A discussion followed to which a number of members contributed and expressed support for the need to progress the Civic Offices project, for the benefit of staff, members, the general public and future generations in the county. Members also noted that the Council was paying out significant monies on the rental of offices for its staff, which would go a long way towards repaying a loan on new offices.

The Chief Executive responded to the debate saying that current facilities are substandard and not fit for purpose. There are 200 office based staff in 6 separate buildings throughout the County. Monaghan County Council have been planning for this for over three years, the project is long term and planned. A strong business case has been presented to the members. The new Civic Offices is the key driver for regeneration of the town centre. The new development would not be just an office building but as part of a larger development would bring footfall back into the town centre. There is a need to provide services in the heart of all our towns. The Deputy Chief Executive urged members to hold firm.

Proposals relative to Budget adoption:

Mr. Murray then informed the members that there were two resolutions that required adoption by the Council before the conclusion of the meeting and these were referred to on Page 8 of the budget report.

(i) Refund of rates on vacant commercial premises

On the proposal of Cllr PJ O'Hanlon, seconded by Cllr H McElvaney, it was agreed that the level of refund of rates on vacant commercial premises, that are available for rent or lease or are undergoing refurbishment, for the local financial year 2022 would be 100%.

On the proposal of Cllr C Carthy, seconded by Cllr D Maxwell it was agreed that the Finance Section tease out the ramifications of reducing the 100% refund on vacant rated businesses by 5% (for example) so that members are fully informed. Members request that this process conclude by September 2022.

(ii) Adoption of the Budget and the determination of the Annual Rate on Valuation:

Cllr Coyle proposed, Cllr PJ O'Hanlon seconded

That the Council adopt the Draft Budget for 2022, as presented, and that the Annual Rate on Valuation for 2022 be determined at €0.2260.

A vote by show of hands resulted in 14 for, 1 against. The Cathaoirleach declared the motion carried.

The Cathaoirleach declared the proposal in relation to the adoption of the Budget for 2022 carried.

2. To consider recommendations and minutes from Corporate Policy Group meeting held on 28 October 2021 and 02 November 2021.

The members noted the minutes of the Corporate Policy Group meeting held on 28 October 2021 and 02 November 2021 which had been circulated.

On the proposal of Cllr N Keelan seconded by Cllr R Aughey, it was agreed that the minutes of the Corporate Policy Group meeting held on 28 October 2021 and the recommendations contained therein be approved.

On the proposal of Cllr P Treanor seconded by Cllr D Maxwell, it was agreed that the minutes of the Corporate Policy Group meeting held on 02 November 2021 and the recommendations contained therein be approved.

3. Capital Programme 2022 – 2024

The members noted that the Capital Report 2022– 2024 had been circulated along with the Budget report. Mr C Flynn, Director of Services stated that the Capital Programme would be an item for discussion on the January Council agenda.

The Cathaoirleach thanked the members of the CPG, the Management Team and the Councillors for all the work undertaken in the preparation, consideration and approval of the Budget for 2022.

Mr J Murray, Head of Finance, concurred with the comments of the Cathaoirleach and especially thanked the members and all staff for their hard work in the preparation of the Draft Budget.

The meeting then concluded.

Signed: _____
Cathaoirleach

Meetings Administrator

Date: _____
