



COMHAIRLE CONTAE CHORCAÍ

Minutes of Proceedings at Budget Meeting of Cork County Council held in the Council Chamber, County Hall, Cork on 12th November, 2018.

ILATHAIR

Comhairleoir P.G. Ó Murchú, Méara Chontae

Comhairleoiri MacCraith, Mac Seafráida, Daltúin, Ní Fhúarthain, D. Ó'Donnabháin, Dheasmhumhnaigh, Ó Cainte, M. Ó Murchú, Ó hEarchaí, R. Mhic Cárthaigh, Ó Colmáin, Lombard, C. Ó Murchú, Ní Cochláin, J. Ó' Donnabháin, G. Ní Mhuimhneacháin, Críod, Ó Gráda, Ó Luasaigh, Ó Riain, P. Ó Suilleabháin, C. MacCárthaigh, Ó Ceocháin, Sheppard, De Barra, Ó Cadhla, Rasmussen, N.Ó Coileán, Uí Thuama, Ó hEigearthaigh, S. NicCárthaigh, Léanacháin-Foghlú, Ní Bhrian, N. MacCárthaigh, Ó Floinn, Ó Dúghaill, Mhic Dháibhí, Uí Mhurchú, Ó Sé, G. Ó Murchú, Gearóid Ó Murchú, B. Ó Muimhneacháin, Uí Mhaoláin, T. Ó Coileán, D. Ó Coileán, Ó Cearúill, J. Ó Suilleabháin, C. Ó Suilleabháin, Uí hEigearthaigh, Ó hAodha, Ó hUrthuile.

PRESENT

Councillor Patrick G. Murphy, County Mayor presided.

Councillors McGrath, Jeffers, D'Alton, Forde, O'Donovan, Desmond, Cauty, M. Murphy, Harris, R. McCarthy, Coleman, Lombard, K. Murphy, Coughlan, O'Donovan, Moynihan, Creed, O'Grady, Lucey, Ryan, P. O'Sullivan, K. McCarthy, Keohane, Sheppard, Barry, Ó Cadhla, Rasmussen, N. Collins, Twomey, Hegarty, S. McCarthy, Linehan Foley, O'Brien, N. McCarthy, O'Flynn, Doyle, Dawson, Murphy, O'Shea, Gearóid Murphy, G.Murphy, B. Moynihan, Mullane, T. Collins, D. Collins, Carroll, J. O'Sullivan, C. O'Sullivan, Hegarty, Hayes, Hurley.

Chief Executive, Head of Finance, Senior Executive Officer, Management Accountant

Votes of Sympathy

TO: Denis Cregan, on the death of his sister, Carmel

TO: Susan Murphy, Municipal District Office Midleton, on the death of her brother, Michael.

1. TO CONSIDER THE DRAFT BUDGET PREPARED BY THE CHIEF EXECUTIVE SHOWING THE AMOUNTS, WHICH IN HIS OPINION, WILL BE NECESSARY TO MEET THE EXPENSES AND PROVIDE FOR THE LIABILITIES AND REQUIREMENTS OF THE COUNCIL DURING THE LOCAL FINANCIAL YEAR ENDING 31ST DECEMBER, 2018.

The Chief Executive informed members that he would begin by giving an outline of the statement of finances and also a statement of where Cork County Council is strategically. This is the fifth out of five budgets in terms of the elected council. Since 2014, we have been heading into an improved economy and recovery phase; however, in this time the organisation has experienced a 32% loss in staff, which is challenging in terms of meeting the resource demands of the Municipal District offices. The Chief Executive said that we need to ensure that we are creating an organisation that has the capacity to look forward and position ourselves to benefit from future funding and also to be able to borrow strategically. There is a deliberate focus on providing €6.64m into Area Offices and €1.5m into the Local Community Development Committees. The Chief Executive said that over the period 2015 to 2019 there has been €12 million increased spend at area based and municipal level.

The Chief Executive outlined that since 2015, the Council's own discretionary roads funding has increased by 26%, and Housing A01 expenditure has increased from €10.4m to €16.6m representing a 59% increase in the period 2015-2019. The Chief Executive also stated the Cork County Council has been successful in the LIHAF bids.

The Chief Executive said the organisational capacity of both indoor and outdoor staff has increased and in the period January 2017 to date staff numbers have increased by 143 from 2,321 to 2,464, representing a 6% increase over the two years, including additional general operatives and drivers, executive engineers, administrative staff, ICT staff, harbour masters, school wardens, and solicitors.

He said that we have continuously supported our areas offices and municipal districts which have experienced an increased demand on services. The Chief Executive said internal structures are now more strategically focussed on capital infrastructure and referred to the examples of the roads team and housing team. The Chief Executive said the council's ICT systems are improving organisational efficiency and that many of the council's services are now provided in an efficient manner on-line.

The Chief Executive said that it is not his budget; it is the member's budget and it continues to try to achieve a balanced focus to serve our citizens. The Chief Executive recommended the budget as presented adopted as is, and that he was prepared to discuss any amendments proposed. The Chief Executive said he was hopeful that members would adopt a budget that meets their needs and expectations.

Members noted the report of the Chief Executive, as follows:-

The Draft Budget 2019 has been prepared in the context of providing for the continuation of existing services, with some progress towards the growing needs of the sustainable development of the County, while protecting the Council's finances.

2019 will see significant change for the County Council, with local elections in May followed by the alteration of the County/City Boundary. On the basis of the Local Government Bill 2018 the Draft 2019 Budget is framed on the basis of an "as-is" situation, i.e. as if no change to the Boundary. It is important the 2019 Budget is framed on a sound and steady basis to ensure the continued delivery of services across the County. 2019 will bring risks and challenges in terms of organisational structure and therefore this Draft Budget aims to underpin the key services of the Council, including the key role of Municipal Districts, as well as safeguarding our finances in preparation for this and future Budgets of Council.

The overall budget strategy for 2019 has been an iterative process based on specific building blocks to arrive at the presentation of the statutory Budget for adoption by Members. The key stages included:

- Briefing to full Council on the emerging budgetary strategy at Development Committee on the 21st September, 2018,
- Decision of Council to adopt no variation to the Local Property Tax basic rate for 2018 at its meeting on the 24th September,
- Consideration of Municipal District Draft Budgetary Plans, including the General Municipal Allocations, for 2019 at their budgetary meetings in October/November.

The Council's Corporate Policy Group played a central role in preparing this Budget and has been consulted at a series of meetings since July 2018. The final Draft Annual Budget for 2019 is reflected in the statutory tables as detailed herein and presented to members for adoption at the Annual Statutory Budget Meeting of 12th November, 2018.

As agreed with Council as part of the 2015 Budget adoption process, the current Council has a 5 year strategic approach to budget process:

- Move towards adopting a budget without recourse from the general revenue reserve
- Enhancement of capacity of organisation
- Delivery of effective Municipal District Budgetary Plans & General Municipal Allocations
- Maximise the benefit of LPT Variation of the basic rate.

The Council is working hard to deliver sufficient level of services while ensuring our spending is efficient and sustainable, and underlying finances are resilient. However the Budget must be able to respond to the additional needs being presented in service delivery. Within this framework there are particular costs the Council must provide for in 2019, including full year costs of the Public Services Stability Agreement, pension increases and some provision for additional service levels.

The following matters have been formative in framing Budget 2019 for consideration:

- Recognition that there are limited areas for revenue generation and the particular importance of commercial rates, which represents almost 40% of our income.
- Recognition that local decision making on the variation of the rate of Local Property Tax is now a significant decision of Council which has direct local impact.
- Reliance on the allocation of exchequer funding in preparing the budget
- The current financial position of the Council and our ability to meet the service delivery needs; for 2019 this requires similar recourse to the general revenue reserve as 2018, which will necessitate careful monitoring to minimise the demand on revenue reserves, and to realise the strategy to move towards adopting a Budget which does not require recourse to our general reserves.
- The need to underpin the position the Municipal Districts of the Council as key drivers of local community and economic development of their towns, villages and rural areas.
- The need to continue to give certainty to the business community and to ensure that the harmonisation of the different rateable valuations across the former nine Town Councils with the County rate is done on a reasonable basis.
- The need to support businesses, continuing to provide assistance to support and generate job creation, which is critical in particular to the vitality of our towns, villages and rural communities.

- The need to meet the costs of national pay restoration agreements.
- The maintenance and enhancement of the existing capacity of the organisation through ongoing review of service delivery processes and methods, and in order to ensure that we can respond to increasing work activity in some areas of the Council.

The 2019 Draft Budget has been prepared on a deficit basis with significant reliance on the general revenue reserve balance. It must be noted that while a similar monetary reliance on the revenue reserve is provided for as in 2018, the overall revenue surplus available has reduced due to the settlement of a longstanding legal case for which a post balance sheet event adjustment was required for the Annual Financial Statement (AFS) 2017. The adjustment reduced our cumulative general revenue surplus to €7.34m. This puts the reliance on revenue reserves to meet ongoing operational requirements into stark focus, and careful management of our finances with efficient use of our resources is critical to the sustainability of the Council exclusive of any boundary adjustment.

Through consultation with the Corporate Policy Group and consideration of the views of Council as expressed through the different stages of the budgetary process, the Budget as presented deals with the aforementioned matters in a reasoned and balanced manner and is recommended to Members for adoption.

LPT Variation and Impact

The Council's decision not to vary the base rate of Local Property Tax for 2019 is welcomed. Critically the decision enabled the preparation of a Draft Budget which has assisted in the maintenance of service delivery levels, and in particular retains the benefits that have accrued to the Council following the LPT decisions since 2015. These initiatives include:

- Enhanced Public Space/Town Approaches/Roadside Maintenance Programme: - The provision of €1.1m is continued in 2019 to support the ongoing delivery of enhanced programmes of maintenance and enhancement of approach roads to towns, verge cutting on strategic locations of our road network and general presentation and maintenance of public spaces in each Municipal District (MD).
- Town Development Fund – The provision of €1m towards discretionary programme expenditure at Municipal District level is continued for 2019.
- Villages Enhancement (Public Realm and Infrastructure): - €500,000 (€62,500 per Municipal District) introduced in 2017 is retained for 2019 to fund enhancements to the public realm and community infrastructural fabric of villages or other initiatives in villages that the members of a Municipal District consider appropriate. The fund complements the Town Development Fund and aims to provide comparable benefits for villages.
- General Municipal Allocations – The provision of €1.818m to support the Municipal Districts discretionary expenditure through the Community Grants Scheme is continued in full.
- Disability works to Council Housing: - €250,000 provision is continued assisting the development of a multi-annual programme of works for the provision of extensions and renovations to Council's own housing stock.
- Municipal Districts Community Arts Programme: - €150,000 is retained for the development of a Community Arts Programme across our MDs.

- Support to Council's Local Community Development Committees (LCDC): - The provision of €500,000 is continued towards supporting the Council's three LCDC's in undertaking their role on community and rural development as Local Action Groups in partnership with Local Development Agencies.

The above specific budget provisions are areas that have a positive impact and clearly respond to the principle of the LPT being of relevance locally. These are strongly recommended for adoption by Council as they are directly relevant to local communities, and are areas that have shown to deliver tangible benefits.

The Draft Budget 2019 has not been able to meet the service requests and expectations of the Directorates. The increased expenditure demands are not being matched by increased income buoyancy thereby limiting our ability to meet the level of expectation/demand for services. It is acknowledged reliance on reserves is not in line with our budget strategy however, the Council also has a responsibility to ensure it provides sufficient resources to meet, and where required, improve service delivery. We must be in a position to enhance the capacity of the organisation to meet the needs of the County, without putting our financial position at risk. In doing so, the Council can aim to address some of the additional requirements in 2019, and also retain the provisions made following the decisions taken as part of the adoption of previous Budgets including:

- Commemoration Programme "A Decade of Centenaries": - a sum of €60,000 (incr. 50%) is provided to support activity in this area in remembering significant historic events leading to the establishment of the state.
- Planned Housing Maintenance: - Continuation of the specific annual provision of €500,000 towards a programme of planned maintenance works to our housing stock. Planned maintenance is primarily achieved at present through the Energy Efficiency and upgrading programme, (including insulation, heating options, windows and doors etc). This annual provision has ensured that over the life of this Council since 2015, a planned maintenance programme of €2m has been provided. The €400,000 provided in 2018 to fund other refurbishment/energy efficiency schemes, e.g. Better Energy Communities, is also continued.
- Housing Stock Survey: €255,000 - an increase of €38,000 from the 2018 provision, the results of which will inform the planned maintenance programme into the future.
- In addition a further €500,000 is provided towards the borrowing of an initial €4m, which would be paid back over a number of years, in respect of a comprehensive planned maintenance programme. The loan will of course require the approval of Council and the Department of Planning Housing Planning and Local Government (DHPLG). It is hoped the initial level of borrowing could be increased over the following years subject to funding. The exact nature and extent of the works to be undertaken will be defined by the stock survey. The €500,000 provides for the repayment of interest and capital annually. Members will be kept briefed on this process through the Housing SPC during 2019.
- Housing Maintenance – A continuation of the additional €1.124m allocated to the housing maintenance budgets since 2015, with an extra €100,000 for general repairs, and €120,000 for boiler replacement and heating system upgrades in the 2019 budget. Together with the planned maintenance this gives an additional €2.95m per annum investment in housing maintenance since 2015.
- Pay Parking Dividend – provision is made for the continuation of a total dividend of €270,000 in 2019. The allocation of the dividend will be considered by CPG in 2019.

- Continuation of the following provisions:
 - €120,000 for tackling dereliction in the Municipal Districts
 - €150,000 for playground development/minor upgrades
 - €100,000 for coastal/beach minor works
- Additional €98,000 due to increased street cleaning costs across the County.
- Economic Development Fund – A fund €1.33m is provided for in budget 2019 providing an increase of €87,000.
- Outdoor Recreation Improvement (ORI) and Town & Village Renewal grant funded schemes are welcomed by the Council and also require 15-20% matching funds or contributions from Local Authorities. A provision of approximately €489,000 is included in Draft Budget 2019 to meet this requirement.
- Fire services additional €240,000 provided for callout costs and training requirements.
- Provision of €1m towards loan funding for delivery of a Capital Infrastructure Programme including coordination with potential funding from the Urban and Rural Regeneration Schemes.
- Dredging Programme: - the provision of €150,000, introduced in 2018, will be retained and increased to €180,000.
- Provision is made in 2019 for the first expected equity investment of €150,000 into the new joint venture housing infrastructure development company with NTMA/ISIF. The formal approval process for this investment is expected to be brought to Council in the near future.
- 5 Year Rates Relief Scheme – provision continues to be made for the Rates Relief Scheme, applicable to all businesses but specifically targeted at small and medium businesses, providing 1% relief to approx 65% of businesses in the county for 2019. Members should note that those ratepayers benefitting will see the value of the 2% reduction for 2018 being credited to their 2019 Commercial Rates Bill when issued in early 2019.
- Rate Harmonisation and rates certainty to business to 2020 - the harmonisation of rates across former Town Councils and the County is being phased in over a five year period commencing in 2016 thus ensuring that the impact will be spread over a reasonable period of time. This also fixes the county rate at its current level of 74.75 to 2020.

Draft Budget 2019

The Revenue Budget has increased from €326m to €344m in 2019. This increase is impacted by the following in the Budget:

- Reflection of the increased road grants received in 2018,
- Providing for anticipated increase in Payment & Availability Scheme,
- Accounting for the Outdoor Recreation Improvement Scheme
- Allowing for additional costs as a result of national pay agreements
- Provision for continued investment in the IT infrastructure of the County providing for network upgrades, Cyber security and business solutions
- Allowing for boundary transition costs.
- Provision for delivery of a Capital Infrastructure Programme including coordination with potential funding from the Urban and Rural Regeneration Schemes

The budget has been finalised on the basis that grant allocations received for 2018 will continue into 2018, unless otherwise notified, and where grants have been reduced, this has been reflected. Other increases in expenditure are offset with a marginal increase in rates income, and an allocation in respect of the additional costs that will arise in respect of the Public Service Stability Agreement, together with reduction of expenditure and maximisation of other income streams across the Divisions.

The budget includes increased income from Housing Rent following a rent assessment, having regard to updated income details, and the impact of the revised rent scheme. This income is being used to provide for increases in maintenance, the Council's contribution for homeless activity and housing adaptation grants. Critically €500,000 is being invested to fund proposed borrowing for a strategic planned maintenance programme following the survey of our housing stock.

A particular aim of Council over the past years has been to continue to place focus on the enhancement of funding and capability to area based services, primarily delivered through the Municipal District Area Offices. Many of the measures already provided for over the last number of years is in response to this strategic approach of Council, and those measures, as already outlined, are continued.

It is of particular note however that the draft budget for 2019 has provided for the recruitment costs of 54 additional outdoor General operative workers across the Municipal Districts. This follows agreement having been reached through the WRC in 2018 on the strengthening of our capacity in this area. This is a highly significant development and commitment of the Council to area based services.

It is however never possible to meet the considerable level of demands and expectations of our citizens in terms of visibility and capacity to respond to service delivery requests on the ground daily. It is inevitable, despite this commitment to increased capacity that the Council will continue to receive demands for services which will be well beyond our capacity to respond.

Local Property Tax Allocation 2019

The Local Property Tax Allocation 2019 is based on the latest Revenue Commissioners projections of LPT income from declared properties in 2018. For 2019 the Government confirmed its intention that 80% of all Local Property Tax receipts within the local authority area where the Tax is raised will be retained locally. The remaining 20% of the Tax will be paid into an equalisation fund to be re-distributed to local authorities, to ensure that all authorities receive, at a minimum, an amount equivalent to their LPT baseline, and so to ensure that no local authority is worse off from local retention of LPT in 2018 compared to General Purpose Grant Allocations and Pension Related Deduction Income in 2014.

The Council will be in receipt of LPT income in excess of the LPT Baseline for 2019 of €8,402,758. The baseline is an amount equivalent to the 2014 Local Government Fund/GPG allocation of €2,951,435 plus €5,451,323, being the 2014 income from Pension Related Deduction (PRD).

As a result of the Council's decision not to vary the LPT rate Cork County Council retains an allocation of €32,750,826. This has been represented in the current budget as follows:

Housing Capital Expenditure €13,144,103
(not included in Revenue Budget)

Revenue Budget (Table A)	€16,590,464
Self Fund Housing & Roads (Revenue)	€ 3,016,259
Total (Appendix 2)	€32,750,826

The Revenue portion of the €19.6m will be allocated over the following revenue streams:

Replacement of Local Government Fund & PRD 2014	€8,402,758
LPT Discretionary	€8,187,707
Self Funding – Housing	€2,500,824
Self Fund – Roads	€ 515,435

Dependant on the allocations by Government for Housing and Roads, the allocations will be reduced by the funding elements detailed above.

Rates Harmonisation

As a result of the dissolution of Town Councils, the 5 year rates harmonisation period agreed by Council which commenced in 2016 across the 9 former Town Council areas will continue in 2019. As part of the 2015 Budget process Council agreed to adopt an ARV of 74.75 to which it wishes to harmonise at the end of the agreed harmonisation period. This multiplier will not change for the harmonisation period and this will ensure that all current county ratepayers will be charged commercial rates up to 2020 on the current ARV of 74.75. In the case of the former Town Council ratepayers, they will transition to the overall county ARV of 74.75 on a graduated basis over this period, thus not being charged at the full county multiplier of 74.75 until 2020. This certainty on commercial rates in terms of costs to businesses is not likely to be matched by any other service or utility provider in the country for such an extended period of time. This does of course present a position whereby future increases in income from commercial rates is solely based on positive buoyancy being achieved from economic growth and continued progress being made in increasing collection levels.

Efficiency and Sustainability

It is acknowledged that where we find ourselves for Budget 2019 is not where we want to be. While the Draft Budget 2019 aims to safeguard the progress made in delivery of services, we also need to be in a comfortable position to provide significant investment in the County in order to build resilience in our finances, and support sustainable development and the County's long term growth. This will require enhanced focus on value for money and move towards the achievement of increased cost savings and efficiency.

There is a need to ensure that we as a Council are utilising staff resources, process, property and technology in a manner which derives maximum efficiency in service delivery and outcomes for our customers. In line with this:

- The Council re-established its Procurement Unit in March 2017 which supports service delivery areas to achieve further efficiency through cost savings associated with procurement. This unit will work locally and nationally to provide value for money, effective service delivery and where possible support local businesses
- The Customer Service Transformation initiative has delivered significant benefits in with “Your Council.ie” enabling customers and citizens to transact services online with Cork County Council on a 24/7/365 basis.
- The Council's collaboration with Cork Institute of Technology (CIT) to establish “Service rePublic” Ireland's first public sector service design centre, based in County Hall, has focussed on creating better services for citizens and users through engaging with people and identifying what matters.

These initiatives will be further developed and expanded throughout 2019.

Municipal Districts, General Municipal Allocations and Town Development

The Councils eight Municipal Districts play an important role in the delivery of Council services and in the leadership of their municipal regions, particularly in town development following the dissolution of the 12 Town Councils. Establishment of the role of the Municipal Districts has been ongoing and it is a key priority of the Council to continue to develop this. The Municipal Districts Operations & Rural Development Directorate has provided the opportunity for the countywide management of all of the services delivered at Municipal District level and aims to ensure a common approach to service delivery across all MDs. The MDs' role will be further developed through the consideration by each Municipal District of a Schedule of Municipal District Works based on the Municipal Budget Plans as circulated to each district in October. More Council business needs to be dealt with at MD level and there is a need for stronger integration and overall management of engineering and administrative operations.

Municipal Districts were notified of their proposed General Municipal Allocations in October 2018 following the decision of Council on the Local Property Tax. In preparing the final Budget for consideration of Members, I am required to take into account the deliberations of the Municipal Districts on the GMA's and the further development of the Council's financial position. The overall GMA level of €1,817,918 from 2018 is maintained in 2019. This is distributed to each Municipal District on an equitable basis taking into account population, number of main towns, key villages and villages within a Municipal District and, the number of Members of Council in each District. This provides for the following GMA's to Municipal Districts:

Kanturk/Mallow	€235,000
Fermoy	€211,000
Cobh	€208,000
Ballincollig/Carrigaline	€254,000
Bandon/Kinsale	€185,700
Blarney/Macroom	€188,000
West Cork	€305,000
East Cork	€231,218

Facilitating the future development of our towns is an important role of the Municipal Districts and a continuation of both the Town Development Fund (€1m) and Village Enhancement Fund of €0.5m is provided for. These funds are recognised by Members as being of significant value to their Districts.

It is important to note that the views of the Members of the Municipal Districts largely determine the allocation of the Town Development resource to projects. It is also important that the core principle of supporting town development, in particular the vitality of the retail core of our towns, is the primary criteria for the spending on this fund. The fund should therefore continue to provide for a range of discretionary matters such as the following to be supported through agreement between Members and staff at Municipal District level:

- Support to Business Associations for town development initiatives such as retail footfall promotions, promotional events generally etc.
- Support to development of local co-ordinating development partnerships in towns to ensure a unified and co-ordinated approach to working with the Council through the Municipal District
- Specific town enhancement initiatives on top of normal service delivery programmes as may be determined by the Municipal District such as areas of town presentation, signage, footpath renewals, public lighting etc.
- Possible schemes to assist and encourage the removal of dereliction, colour enhancement, town approaches, general town presentation.
- Potential significant additional supports to tidy towns groups through agreed work

- programmes etc.
- Town Economic Development Fund to develop and support local measures which may not be capable of provision through the overall county Economic Development Fund which is more strategically aimed.

Economic Development

The provision of the specific Economic Development Fund (EDF) continues to receive support from business sectors and advocates. Draft Budget 2019 provides for a further increase in the EDF to a level of €1.3m representing 1% of rates income. As agreed with SPC its utilisation will have a heavy emphasis on significantly enhancing the Council's activity level in the promotion of the region as an economic and tourism development area.

The detail of the renewed focus on Economic Development is set out further in this report under the section on Division D. The extent of the Council's economic development initiatives is not limited to the Economic Development Fund and the quarterly reports to Council demonstrate that the Cork County Council is a significant provider and supporter of economic development infrastructure, advice and a range of different supports covering areas such as, but not limited to, the food and drinks sector, entrepreneurship and business start-ups, tourism, ICT, energy, rural and agri-business and retail development.

It must be further noted that investment in the economic development of the County is not solely confined to direct investment and supports for enterprises. The Council invests across its services to make the region an attractive proposition for economic growth. These include maintenance and development of the transportation network, and providing recreation and amenity facilities and opportunities. Social cohesion is a key driver of growth, thereby developing communities both rural and in towns, and investing in the culture and heritage of the area, to provide improved quality of life for potential workers and new citizens.

Cork Local Government Boundary Alteration

The implementation of revised boundary arrangements between Cork County Council and Cork City Council, as approved by Government, is a top priority for this Council for 2019. The boundary alteration is the single most challenging and complex boundary reform in recent decades, and has massive implications for this Council.

The legislation that will underpin the process is currently progressing through the various stages in the Oireachtas. It is envisaged that the vast majority of services will transition to the City by the end of May 2019. It impacts on in excess of 400 no. Council services, and involves a population transfer of c 85,000 citizens from County to City. It will also have a significant impact on the County Council staffing in the coming months, involving a large transfer of staff from County to City to support the ongoing delivery of services. This is a challenging timeline and the County Council will continue to work to ensure that it is met together with the City Council.

A dedicated High Level Implementation Team (HLIT) continues to guide and direct the boundary transition programme in the County. The programme has involved considerable effort and attention by staff from across all directorates to date, and priorities have been set. The overall programme is being overseen by an Implementation Oversight Group (IOG) established by the Minister. The estimated cost associated with delivering the Boundary Transition Programme in 2019 has been provided for in the Draft Budget.

The Council will need to address the challenges facing it due to the significant changes in Local Authority funding, the Council's general reserve and boundary considerations as previously outlined. We need to be able to minimise our recourse to the general revenue reserve, as a result strict budgetary and debtor control will be required and will be the keystone for Budget 2019 to safeguard our finances.

The preparation of the 2018 Budget was principally carried out by Head of Finance Loraine Lynch, Jeremy Canty, Katherine Woods and other Members of the Finance team. I would like to compliment them on their work and thank all Members of Management Team and their staff for their input.

I would also like to thank the County Mayor Cllr. Patrick Gerard Murphy and his predecessor Cllr. Declan Hurley along with the Corporate Policy Group for their assistance and support in the past year and in particular in the consultative process of this Budget.

The Head of Finance informed members the budget has been prepared in accordance with the Local Government 2001 Act as amended the Draft Annual Budget has been prepared in consultation with the Corporate Policy Group. It sets out the expenditure estimated to be necessary to carry out our functions, and the income estimated to accrue to the Council.

The Head of Finance confirmed that a copy of the draft 2019 budget, together with a report outlining the provisions of that draft, was issued to every member of the Council.

The Head of Finance gave the budget presentation to Members as follows;

Draft Budget 2019 – Summary

	2018	2019
EXPENDITURE	326.0M	343.9M
INCOME DIVISIONS	174.8M	191.3M
RATES	131.7M	133.0M
LPT	16.6M	16.6M
	2.97M Deficit	3.03M Deficit

DRAFT BUDGET 2019 – KEY ISSUES

- **LPT** Discretionary LPT Income of €16.6m following Members decision not to vary basic rate for 2019
Self funding LPT revenue element for Housing & Roads shown as grants in Divisions A & B

LPT allocation detailed in Appendix 2.
- **Rates** Rates valuation ARV 74.75 adjusted for Base Year Adjustment Year 4
Anticipated Rates Yield in 2019 of €133.0m – increase of €1.3m
Net Gain on base year adjustment of €423k
Irish Water Asset valuations exempt from Rates compensation of €1.5m shown in Division H Grants.
- **Housing Rent** Increase in housing rent income following rent scheme review and assessment & additional stock

➤ **Pay Agreement** FEMPI compensation (85%) included in Division H income

➤ **Reserves Utilisation**

- Draft Budget has been prepared on a deficit basis
- Revenue surplus at 31/12/2017 was €7.34m
Reduced from €13.1m due a post balance sheet event adjustment (AFS2017) following the settlement of a longstanding legal case, which is subject to confidentiality, and for which funding is being pursued
€3m reliance on reserves represents only 1% of the draft budget
- Required to allow the Council to meet some of the additional service needs
- Careful management of our finances with efficient use of resources is critical to the Council's sustainability and to move towards adopting a budget without recourse from the revenue reserve

DRAFT BUDGET 2019 – TABLE A

Division Description		Draft Expend 2019	Draft Income 2019	Net to be funded	% to be funded
A	Housing & Building	57,094,409	51,008,670	6,085,739	4%
B	Road Transport & Safety	84,100,506	51,407,720	32,692,786	21%
C	Water Services	36,548,961	32,998,815	3,550,146	2%
D	Development Management	38,519,191	13,381,984	25,137,207	17%
E	Environmental Services	44,007,418	8,314,175	35,693,243	23%
F	Recreation & Amenity	28,923,137	3,208,084	25,715,053	17%
G	Agri; Educ; Health & Welfare	5,432,433	2,441,535	2,990,898	2%
H	Miscellaneous Services	49,322,154	28,522,225	20,799,929	14%
LPT	LPT	0	16,590,464	-16,590,464	
		343,948,209	207,873,672	136,074,537	

SOURCES OF INCOME

Own Resources	2018	%
Commercial Rates	€133.0m	39%
Goods/Services (Table D)	€93.7m	28%
LPT	€16.6m	5%
Total	€243.3m	71%
Government Grants		
Other Grants (Table E)	€97.6m	28%
Total	€97.6m	29%

SUMMARY OF LOCAL PROPERTY TAX ALLOCATION FOR YEAR 2019-APPENDIX 2

Description	2019 €	€
Discretionary Local Property Tax (Table A)	<u>16,590,464</u>	16,590,464
Self Funding - Revenue Budget		
Housing & Building	2,500,824	
Road Transport & Safety	<u>515,435</u>	3,016,259
Total Local Property Tax - Revenue Budget		
Self Funding - Capital Budget		
Housing & Building	13,144,103	
Total Local Property Tax - Capital Budget		<u>13,144,103</u>
Total Local Property Tax Allocation (Post Variation)		<u>32,750,826</u>

RATES- BASE YEAR ADJUSTMENT

Nett ARVs in each area - Cork County 2015 - 2020								
Local Authority Name	% Variance to County	Base Year ARV 2014	Annual Rate on Valuation (ARV)					
			2015	2016	2017	2018	2019	2020
				1	2	3	4	5
Cork		74.75	74.75	74.75	74.75	74.75	74.75	74.75
Clonakilty	11.63%	66.96	66.96	68.52	70.08	71.63	73.19	74.75
Cobh	4.50%	71.53	71.53	72.17	72.82	73.46	74.11	74.75
Fermoy	22.54%	61.00	61.00	63.75	66.50	69.25	72.00	74.75
Kinsale	14.81%	65.11	65.11	67.04	68.97	70.89	72.82	74.75
Macroom	14.35%	65.37	65.37	67.25	69.12	71.00	72.87	74.75
Mallow	29.15%	57.88	57.88	61.25	64.63	68.00	71.38	74.75
Midleton	27.69%	58.54	58.54	61.78	65.02	68.27	71.51	74.75
Skibbereen	7.03%	69.84	69.84	70.82	71.80	72.79	73.77	74.75
Youghal	14.45%	65.31	65.31	67.20	69.09	70.97	72.86	74.75

PAYROLL

Additional costs arising from:

- Pay agreements (Public Service Stability Agreement)
- Work force plans - additional full time and seasonal outdoor staff
- Pension and gratuities increase requirement
- Filling of vacancies and critical positions

SERVICE SUPPORT COSTS

Service Support Costs (SSC) are:

- **the apportioned direct salary costs and**
- **all indirect overhead costs allocated over the eight Service Divisions**

The following indirect costs are included in Service Support costs –(e.g. A0199)

Indirect cost	Apportionment basis
Corporate Affairs	- Salaried Staff Numbers per Service
Corporate Buildings	- Metres Squared per Division – Staff per Service
Finance Function	- Financial Transactions per Service
Human Resources	- FTE (Full Time Equivalents) Staff per Service
IT Service	- No of Network PC's and Usage Basis
Print and Post Room	- Recorded out Postage Costs and Photocopying
Pension and Lump Sum	- Salary and Wages Cost per Service

Cost drivers for the allocation of the indirect costs, Central Management Charges (CMC), are reviewed annually:

- Changes in activities, and staff movement affect the cost drivers
- Changes to cost drivers leads to movement in the apportionment of central management charges (e.g. Finance, HR, Pensions) across all services
- Changes will materialise as variances between 2018 and 2019 at sub service level.

RETAINED INITIATIVES 2015 – 2019

Members decision not to vary the Basic Rate of LPT allowed for the retention of:

➤ Entrance to & Presentation of Towns	€1.1m
➤ Provision of Village Enhancement fund	€0.5m
➤ Arts Programme enhancement (MD)	€0.15m
➤ Social Housing Disability works	€0.25m
➤ Housing Planned maintenance (2016-2019 Prg.)	€0.5m
➤ Provision 2016 to support 3 LCDCS	€0.5m
➤ GMA allocation	€1.82m
➤ Town Development Fund	€1.0m
➤ Housing Maintenance – Boiler Programme	€0.35m
➤ Pay Parking Dividend	€0.27m

DRAFT BUDGET 2019 – TABLE A

Division Description		Draft Expend 2019	Adopted Expend 2018	Expend Change 2019 v 2018
A	Housing & Building	57,094,409	52,082,434	5,011,975
B	Road Transport & Safety	84,100,506	77,306,710	6,793,796
C	Water Services	36,548,961	37,412,728	-863,767
D	Development Management	38,519,191	36,400,360	2,118,831
E	Environmental Services	44,007,418	42,801,049	1,206,369
F	Recreation & Amenity	28,923,137	26,775,521	2,147,616
G	Agri; Educ; Health & Welfare	5,432,433	5,514,581	-82,148
H	Miscellaneous Services	49,322,154	47,767,607	1,554,547
		343,948,209	326,060,990	17,887,219

VARIATIONS AT SUB SERVICE

Division A – Housing

➤ Increase Payment & Availability Scheme Contra Income & Expenditure	€1,367,000
➤ Increase in Rental Income due to rent review	€900,000
➤ Housing Adaptation & Mobility Grants Increase	€690,000
➤ Homeless Services increase	€600,000
➤ Loan Repayments for proposed Loan for Planned Maintenance	€500,000
➤ RAS Income being capitalised	€500,000
➤ BEC Scheme	€420,000
➤ VOIDS increased provision	€334,000
➤ Boiler replacement plan	€120,000
➤ Shared Ownership restructuring increase	€110,000
➤ Day to Day repairs increase	€100,000
➤ Retention of 2015 & 2016 Initiatives (€1.6m):	
DPG's Housing Stock	€250,000
Boiler & Maintenance	€850,000
Planned Maintenance Programme	€500,000

Division B – Roads

- **Roads Allocations** Based on current notified allocations 2018
Department will notify of actual 2019 allocations in January 2019.
- **Public Lighting** €400k towards Capital Programme
- **Town Approaches/
Roadside Maintenance Programme** Total fund €1.1
- **Dursey Island Cable Car** - significant increase in income as a result of upgrade works
- **Work Force Plan** – full year cost of additional full time and seasonal outdoor staff

Division C - Water Services

- Irish Water expenditure under SLA is fully recoupable (C01, C02, C06, C07)
- Flood Relief (OPW funded) – Fermoy, Bandon and Mallow Flood Relief works contra income and expenditure €224k
- Increase of 5% in Public Convenience Operations Budget - €57k
- Provision for Public Conveniences improvements retained - €170k
- Private Grant Water Schemes €100k increase (contra income)

Division D – Development Management

- Increase in planning fees income €270k
- Provision for ePlanning project €105k
- SICAP provision €1.92m – year 2 of 7 year programme
- Economic Development Fund increased to €1.326m
- Provision for Tourism Operations & Development including Michael Collins House, Camden and Spike
- LAG LEADER North and South decreasing by €700k and €200k respectively - contra to income
- Retention of LCDC ‘Community Development Initiative’ fund to support community initiatives €500k
- Creative Ireland €104,000 (contra)
- 1916 Commemoration increased with €60k (50% increase) provided for future commemoration programme
- Town & Village Renewal €1.57m (€1.3m contra income) – moved from Division F
- New Building Control Management System - €175k
- Age Friendly Programme increase of €118k
- Healthy Ireland Programme – new initiative €150k – contra to income

Division E – Environmental Services

- Legacy Landfill remediation provision of €420k
- Reduction in Civic Amenity and Bring Sites income €261k
- Street Cleaning increased spend - €349k
- Haulbowline remediation increase - €27k
- Provision for Dereliction continues at €120k
- Fire Services increase (call-out costs and training requirements) - €240k
- Climate Change - Regional Lead Authority - €386k increase (contra income)
- Decrease in Fire Services Charges - €146k
- Increase in Fire Safety Certs (€100k) and Commencement Fees (€30k)

Division F – Recreation & Amenity

- Increase in swimming pool operation costs - €128k
- Increase in library costs for premises improvements, increased book stocks, audio and visual services and mobile libraries - €204k
- Maintenance Open Spaces & Parks increase €159k
- Town & Village Renewal - €1.57m (€1.3m contra income) – moved to Division D
- Playground maintenance increased by €42k (7.5% increase)
- Outdoor Recreation Infrastructure grant - €1.395m (€1.175m contra income)
- Parking Dividend continues at €270k
- €50k for Island development and €150k for Iron Man (€100k contra income)
- Continued provision for Beaches for minor upgrades - €120k
- Retention of :
 - General Municipal Allocation €1.8m
 - Town Development Fund €1m
 - Village presentation and enhancement €0.5m
 - Provision for playgrounds/parks for minor upgrades - €150k

Division G - Agriculture, Education, Health & Welfare

- Increased Provision for Dredging Programme €180k (€30k increase)
- Reduction in Higher Education grants - €75k
- Increased Veterinary income
 - €150k – increased funding from FSAI
 - €95k – dog licenses and fines

Division H - Miscellaneous Services

- New provision for Infrastructure Programme of €1m
- Reduction in Bad Debt provision for Rates €1.5m
- Provision for Increase in Councillors Retirement Gratuities of €133k
- Inclusion of Dept compensation towards costs of pay agreements (€2.5m increase)
- Irish Water Rates income €1.5m
- Insurance provision increase (EL/PL net €790k)
- Boundary Extension Costs - contra €600k

Central Management Charge

- Extra pension requirement of €885k
- Increase in facilities maintenance and operations - €50k
- €105k increase in LGMA charge
- Continued provision for Customer Service team with improvement to communications including intranet €105k
- Increased provision for Irish language office – 140% increase to €30k

Area Office & Municipal District Services

- Area and Municipal Offices provide multiple services from community support, road maintenance, street cleaning, to parks and amenity maintenance and burial ground operation
- Over recent budgets the Council has increased investment in these areas with €4.6m across
 - Entrance to & Presentation of Towns €1.1m
 - Provision of Village Enhancement fund €0.5m
 - Arts Programme enhancement (MD) €0.15m
 - GMA allocation €1.82m
 - Town Development Fund €1.0m
- The Council has successfully secured and provided match funding for:
 - Urban and Village Renewal €269,000
 - Outdoor Recreation Improvement €220,000

- Roads maintenance budgets have increased by over 20%
- More is required and the Council is continuously pursuing additional funding with the DoT while increasing our own resources investment
- The recruitment of 54 additional staff will assist the areas in meeting the service delivery needs
 - Staff employed from Q4 and 2019 will see the full year benefit of this additional resource
- School wardens Budget has increased by €157,808 (37% increase) since 2016
- In addition investment has increased in areas across the other key services:

Summary of Budget spend on key services 2017 to 2019

Service	2017	2018	2019	% increase 2017 to 2019
Roads Maintenance	44,735,227	47,439,542	53,913,061	20.5%
Maintenance Parks & Open spaces	1,689,854	2,043,939	2,202,913	30.4%
Operation of Street Cleaning	2,020,111	2,264,399	2,613,286	29.4%
Playgrounds	468,415	558,428	600,370	28.2%
Operation and Maintenance of Piers	570,222	717,300	731,196	28.2%
Litter Control	568,006	690,547	722,018	27.1%
Maintenance of Burial Grounds	2,192,539	2,393,278	2,563,571	16.9%
Library Service Operation	5,795,489	5,802,490	6,545,817	13.0%
Op and Maintenance Public Conveniences	1,178,642	1,198,143	1,255,167	6.5%
	59,218,505	63,108,066	71,147,399	

- The Municipal District Operations & Rural Development directorate was established 2 years ago with the aim of:
 - Increasing the focus on the delivery of services locally &
 - developing stronger co-ordination within and across Municipal Districts,
- And also to work closely with Area offices under Roads and Transportation Directorate
- In light of organisational changes the 2019 Municipal District alterations and Boundary adjustment will bring:
 - it would be timely to review the operational relationship and
 - ensure the Council is maximising resources to Area and MD services are adequately supported

Central to Cork County Council core services

- Continued focus on supporting and improving key area services

	€
Retained Initiatives from LPT	6,440,000
Increased spend in key Area & MDO services (2017 to 2018)	3,889,000
Increased spend in key Area & MDO services (2018 to 2019)	8,039,000
Matched funding for ORI & T&V renewal	489,000
Total	18,857,000

The Mayor invited comments from members, which included as follows;

- Members congratulated the Head of Finance and Chief Executive for an enthusiastic and easy to understand budget.
- Overall it is a large budget and the increases on last year are welcomed.
- 2018 was a reasonably good year for Cork County Council.
- The budget is a key reserved function.
- The actual delivery of services is critically important in key areas such as roads and housing which have received increased budgets next year.
- There have been additional resources and budgets for local area offices over the last number of years; however, the reality on the ground is the area offices are still under resourced.
- Fianna Fail signalled it would be proposing budget amendments.
- If we want to attract tourists into the county, then we need to have investment in our open spaces and parks.
- The planned maintenance programme is being delivered in piecemeal fashion.
- The Coastal Management Committee and National Monuments are underfunded.
- Significant storms throughout the course of 2018 did impact on the budget.
- The increase in staff numbers is welcomed.
- We need to continue employing more staff as the economy improves.
- Our enforcement office needs additional resources.
- Sinn Fein have been consistent over the past five years in proposing budget amendments.
- If members do put in a motion, then money should be set aside for it.
- It is very disappointing to see that €3m will be taken from the reserves to balance the budget.
- A significant sum of money has been used for a legal settlement.
- Members requested a further discussion concerning the reduction in the reserves.
- The local government fund is not sufficient.
- €1.1m extra funding for roads will not go far in repairing damaged roads.
- It is disappointing that the Chief Executive did not mention climate action in his preamble.
- Ireland is second last in Europe in its handling of climate change.
- Cork County Council should lead climate action for the region.
- We need clarity on the contra entries?
- Do we get the money back, and does it include administration costs?
- Can the Chief Executive make a statement on the legal settlement?
- No provisions have been made for translating the website to Irish.
- Members are disabled from contributing to the budget process.
- Openness and transparency is vital and needed as we have responsibility for over €340 million of public funds.

One member commented that;

- Members are disabled from contributing to the budget process.
- The process should involve both members and the public, as it is their money
- The entire budget process lacks transparency and there is an unhealthy collaboration amongst leading political parties and party whips in influencing budget decisions from behind closed doors.

The Mayor said that the member's comments were scurrilous and asked the member to please withdraw his allegation.

The member responded and asked are all members in the chamber equal or not?

Members commented as follows;

- On a point of order, it is an outrageous comment and the member is respectfully requested to withdraw his comments regarding party leaders and political whips.
- The member's serious allegation needs to be withdrawn or we will not proceed.
- It is possible to come to some compromise.

The Mayor referred to Section 51 of the Standing Orders stating that where in the opinion of the Chairperson there is general disorder which impedes the orderly transaction of business or where a member against whom it was resolved that he or she leave the meeting refuses to do so, the Chairperson may adjourn the meeting for such period as he or she considers necessary in the interests of order.

The Mayor asked the member to withdraw his comments or be asked to leave the meeting

The member indicated that he was standing over his comments.

The Mayor informed the member that he must leave the meeting as required under Section 51 of Standing Orders.

Members then raised the following points:

- There is still a major deficit in the resourcing of the municipal offices to cover the work needed.
- Health and safety is very important but it has changed how we are able to carry out works such as the filling of potholes
- Housing maintenance is not strong enough to maintain the fabric of our housing stock.
- There are serious concerns about the municipal district areas being moved into the city.
- Huge amounts of LPT are paid in these areas and it is critical these areas continue to receive funding for essential services including public lighting and traffic calming measures.

The Chief Executive stated that climate change is a priority for the organisation and there would need to be a period of public consultation before a climate change adaptation plan can be brought before full council.

The Chief Executive stated the legal case in question was ongoing for twenty one years and that there was a confidentiality clause around the final settlement. The Chief Executive has a statutory responsibility to settle cases on behalf of Cork County Council, and he also has a responsibility to act confidentially and professionally. The Chief Executive confirmed that he was absolutely satisfied

whilst the legal case was ongoing that the outcome of the case would not impact on our capacity to adopt a budget for 2019.

The Chief Executive confirmed that our potential risks around legal risk are not insurable, and that there were other parties however he could not disclose any other information about the defendants. The Chief Executive said that the organisation would be seeking a recoupment from the Department.

The Mayor informed Members they must consider the Budget under the following separate headings:

- Division A** Housing and Building
- Division B** Road Transport and Safety
- Division C** Water Services
- Division D** Development Management
- Division E** Environmental Services
- Division F** Recreation and Amenity
- Division G** Agriculture, Education, Health & Welfare
- Division H** Miscellaneous Services

Division A: Housing and Building

The Head of Finance outlined total estimated expenditure of €57,094,409 and total estimated income of €51,008,670.

During the discussion, Members made the following points:

- Sinn Fein indicated amendments under Division A totalling €1.336m to be funded from reserves.
- There appears to be some reductions in what was budgeted for Division A in 2018.
- Boiler maintenance appears to be a waste of money.
- We should consider installing stoves in our housing stock.
- Would like to see extra money for Disabled Person Grants.
- Under the planned maintenance programme major improvements can be made.
- Derelict sites needs a designated team and increased funding.

Division B: Roads

The Head of Finance outlined total estimated expenditure of €84,100,506 and total estimated income of €51,407,720.

During the discussion, Members made the following points:-

- Sinn Fein indicated amendments under Division B totalling €1.332m to be funded from reserves.
- Fianna Fail indicated the following amendments under Division B
 - €100,000 for school wardens to be funded from Tourism Development & Promotion budget.
 - €400,000 for Area Office resources, €100,000 from Tourism Development & Promotion, and €300,000 from Economic Development.
- Additional school wardens have not materialised to date.
- The budget will facilitate the recruitment of extra general operatives.

- We have the highest density of rural and regional roads, and we need increased funding for these roads.
- The post of senior engineer in Skibbereen is still vacant, and where is this money being used instead.
- Members requested details of the public lighting roll out programme.

The Head of Finance said that she recognised member's comments however there is limited scope in the Economic Development budget and that she had concerns that any reduction would have a detrimental effect on economic and tourism facilities provided by the Council.

The Head of Finance confirmed that in the last two years the Council made small surpluses of €300,000 and €500,000. The Head of Finance acknowledged that rates and rates collection in previous years did bring about additional buoyancy, however this buoyancy has not been there in 2018 and 2019, and the capacity not to have a deficit has been reduced in the past year.

The Head of Finance informed members that the source of funding for the tabled amendments is a cause for concern as the reductions proposed by members would impact of the delivery of services on the ground.

Division C: Water Services

The Head of Finance outlined total estimated expenditure of €36,548,961 and total estimated income of €32,998,815.

Division D – Development Management

The Head of Finance outlined total estimated expenditure of €38,519,191 and total estimated income of €13,181,984.

During a discussion, Members made the following points:-

- The Tourism Development & Promotion budget is to increase by €409,215.
- Fianna Fail asked that if the Party's amendments are resisted, could the executive provide members with a full and detailed breakdown of the Tourism Development & Promotion budget and Economic Development budget.
- Budget D11 Heritage & Conservation only increased from €675,000 to €731,000.
- There is not enough funding available to carry out the level of conservation works needed.
- D11 Heritage & Conservation Services budget should be doubled, to be funded from the Tourism Development fund.
- Increased investment in conservation efforts will contribute to our tourism capacity and economic development.
- In 2014, the budget available to D0301 Enforcement Costs was €900,000 at a time when we had far fewer planning applications.
- There is only one council employee on the Historical Monuments Committee.
- National monuments funding should be doubled, to be funded from the tourism budget.

The Chief Executive said that it is not prudent to deal with €2.7m from reserves, and if Council is minded to support a motion, the members may wish to give the executive some time to prudently deal with how they may be funded.

The Head of Finance stated that members have indicated amendments of €400,000 to €550,000 coming from economic development and tourism. The Head of Finance said that D0905 has been

reduced by €119,000 and the only elements applicable include the economic development fund, the regional assemblies, Camden and Spike Island. The Head of Finance said that the economic development fund pays the Council's rates in the long terms and taking money out of this will have a huge negative budgetary impact in the long term.

Members commented as follows;

- At what level should we maintain our reserves at in order to be prudent?
- The National Monuments Committee needs additional staff.
- If we reduce our reserves we will run into trouble.
- The auditor will question the reliability of the reserves if they are to be reduced further.
- Over the past five years there has been deficit budgeting in Cork County Council.
- However, our reserves are increasing our surpluses each year.

The Head of Finance stated there was recommendation at one time that reserves should be up to 25% of your budget. The Head of Finance said that in trying to balance the budget we would prefer not to utilise reserves and that it is not prudent in terms of financial management to use reserves.

Members then commented as follows;

- This should have all been discussed prior to today.
- It is unfortunate that amendments are being forward on the floor today with no prior notification.

Extension of Time

At 1.15 pm an extension of time was agreed following the proposal of Councillor Frank O'Flynn, seconded by Councillor Mary Rose Desmond.

Division D: Development Management

The Head of Finance outlined total estimated expenditure of €38,519,191 and total estimated income of €13,381,984.

Division E: Environmental Services

The Head of Finance outlined total estimated expenditure of €44,007,418 and total estimated income of €8,314,175.

During the discussion, Members made the following points:-

- As the Fermoy area does not have a civic amenity site, additional funding should be provided for street cleaning.
- We are asking for an equal service for the Fermoy area.
- Civic amenity site opening hours need to be extended in light of decreasing income levels.
- Income is down €216,000.
- The sites in West Cork are only open 19 hours per week.
- The operational budgets of the bring centres has increase by 66%.
- Litter control initiatives are decreasing yet street cleaning budgets are increasing.
- We need to provide additional funding for our cemeteries.

The Head of Finance stated the bring centre budgets have only seen a small increase this year and this is attributed to payroll cost increases. The Head of Finance confirmed that the budget for burial grounds will increase by €170,000.

The Chief Executive commented that in previous years civic amenity site expenditure was higher and that the budget structure in support of the expenditure was essentially wrong.

Division F: Recreation & Amenity

The Head of Finance outlined total estimated expenditure of €28,923,137 and total estimated income of €3,208,084.

Sinn Fein indicated an amendment under Division F of €10,000 for promotion of the Irish language to be funded from the economic development fund.

Division G: Agri, Educ, Health & Welfare

The Head of Finance outlined total estimated expenditure of €5,432,433 and total estimated income of €2,441,535.

Sinn Fein indicated an amendment under Division G of €120,000 for a community horse project to be funded from the economic development fund.

During the discussion, Members made the following points:-

- The community horse project does not only cover the travelling community.
- Cork County Council already full funds a community horse project.
- We might have a duty in assisting home owners that are in danger of facing coastal erosion.

The Chief Executive said that we will be starting a process for the traveller accommodation programme over the period 2019 to 2024, and this process should identify any needs. The Chief Executive stated that it would be premature to budget for something at this stage.

Division H: Miscellaneous Services

The Head of Finance outlined total estimated expenditure of €49,322,154 and total estimated income of €28,522,225.

2. TO DEAL WITH SUCH DRAFT BUDGET IN ACCORDANCE WITH THE PROVISIONS OF THE LOCAL GOVERNMENT ACT, 2001, AS AMENDED, AND THE LOCAL GOVERNMENT (FINANCIAL PROCEDURES AND AUDIT) REGULATIONS 2002.

The Mayor informed members that they had three resolutions to consider, the first being the Adoption of the Council's Budget for the local Financial Year ending 31.12.2019

The Mayor called for any amendments and said that an individual vote would be taken on each of the amendments unless withdrawn by the proposer.

Sinn Fein indicated it would propose five amendments under Division A totalling €1.336m be funded from reserves.

Proposed by Councillor Melissa Mullane
Seconded by Councillor Des O'Grady

The Head of Finance stated she could not countenance the proposed amendment as it would impact on other funding proposals, as well as the Council's financial stability.

The Chief Executive said that the €600,000 been sought for Division A equates to 20% of the Council's remaining reserves.

The Chief Executive asked members to note that Cork County Council has in place 29 major DPG work programmes for Council owned properties. 10 are complete and 19 are currently a design stage. The Chief Executive said there is significant activity in place under these programmes.

Members then commented as follows:-

- It is likely we will make a surplus in 2019.
- We must retain our ability to match funding from government departments.
- This will not be able to happen if we reduce our reserves further

Members requested an adjournment for 15 minutes to reconsider the amendments and how they might be funded.

The meeting reconvened.

Chief Executive informed members that the Head of Finance would now bring some additional comments on the amendments to the chamber.

The Head of Finance confirmed that funding could be leveraged from the following areas;

▪ Rates Relief Scheme	€206,000
▪ Cobh Heritage Trust	€ 50,000
▪ Compensation for Pay Agreement	€100,000
▪ Planned Maintenance Loan	<u>€250,000</u>
	€606,000

Members of the Fianna Fail Party thanked the Chief Executive and Head of Finance and confirmed the party was seeking budget amendments totalling €750,000 as follows;

▪ Disabled Person Grants	€200,000
▪ Tenancy Support	€100,000
▪ Area Offices	€300,000
▪ Scholl Wardens	€100,000
▪ National Monuments	<u>€ 50,000</u>
	€750,000

The Sinn Fein Party confirmed it was happy to make a compromise regarding funding for disabled person grants and Sinn Fein were in agreement with Fianna Fail's proposal seeking budget amendments totalling €750,000.

Councillor Bob Ryan proposed, Seconded by Councillor Melissa Mullane that the balance of €144,000 needed come from reserves.

Fine Gael indicated they would only support adjustments totalling €606,000, and during the discussion that followed members commented as follows

- We cannot afford to spend €600,000 out of reserves and need to be cautious.
- The Executive have agreed to spend €606,000 amongst the key areas.

- We should go ahead with the advice of the Chief Executive and Head of Finance.
- The executive have already reduced the reserves.

The Head of Finance said that tenancy support workers are already in place in both North Cork and West Cork, and that there is an ongoing process underway in South Cork. This increased funding should go to the Director of Services, Housing, to determine if this need still stands.

The Head of Finance stated it is not prudent to reduce our reserves even further and by doing so we could run into difficulty with the Department and Local Government Auditor.

The Chief Executive stated that members have already sought amendments of €750,000; however, only €606,000 is available. The Chief Executive said he would not be supporting any additional depletion of the Council's reserves, and it was for members to decide where the additional €144,000 would come from.

The Chief Executive responded to the members' comment about reducing the reserve and said that it is members that approve the budget, not the executive.

Members then commented as follows;

- Out of a total budget of €343 million, €144,000 is the difference.
- The principle of what is being proposed is worrying, not the actual amount being sought.
- Reserves that were once at €17m are now down to €3m.
- The €606,000 now available is justifiable.
- We should take the advice of the Chief Executive and Head of Finance.
- We can't keep reducing the reserve.

The Head of Finance stated that a further reduction in the Economic Development and Tourism Promotion budget would be a retrograde step, and would reduce funding from festivals and local events.

The Chief Executive said that €206,000 additional expenditure would be charged against the economic development fund, and that another €144,000 being sought by members would have a significant impact on a range of locally supported initiatives including tourism promotion/festivals and events, and also on strategic marketing and tourism/partnerships with local and regional stakeholders/strategic co-funding initiatives, which could result in cuts of 20% to each of the groups receiving support from Cork County Council.

Councillor Bob Ryan withdrew the proposal of the balance of €144,000 being funded from reserves.

Members asked the Head of Finance for a detailed breakdown of the economic development budget expenditure.

Councillor Kevin Murphy proposed seconded by Councillor Aidan Lombard amendments totalling €606,000 as follows;

▪ Municipal District Offices	€300,000
▪ School Wardens	€100,000
▪ Disabled Person Grants	€100,000
▪ National Monuments	€ 50,000
▪ Homeless Tenancy Support	<u>€106,000</u>
	€606,000

Following requests from the party leaders, the Mayor called for a five minute recess.

After the meeting reconvened, Fianna Fail, Sinn Fein and Fine Gael indicated that they would be withdrawing all amendments previously indicated.

Councillor Seamus McGrath, seconded by Councillor Melissa Mullane proposed the following amendments;

▪ Disabled Person Grants	€120,000
▪ Tenancy Support	€100,000
▪ Outdoor Activities	€236,000
▪ School Wardens	€ 100,000
▪ National Monuments	<u>€ 50,000</u>
	€606,000

The Mayor then called for a vote on the proposal and informed members that a two thirds majority was needed in order for the amendment to the resolution to be carried.

The Senior Executive Officer read out Resolution 1 as follows;

“That pursuant to the provisions of the Local Government Act 2001 as amended by the Local Government Reform Act 2014, the Local Government (Financial and Audit Procedures) Regulations 2014 and the Local Authority Accounting Code of Practice and Accounting Regulations, the Draft Budget for the financial year ending 31.12.2019 as presented by the Chief Executive and as set out in Tables A – H, to include the proposed amendment as agreed.”

The vote resulted as follows;

FOR: Councillors McGrath, Jeffers, D’Alton, Forde, Ó Donnabháin, Desmond, Canty, M. Murphy, R. McCarthy, Coleman, Lombard, K. Murphy, Coughlan, O’Donovan, Creed, O’Grady, Ryan, O’Sullivan, Barry, Rasmussen, Twomey, Ml. Hegarty, S McCarthy, Linehan-Foley, O’Brien, O’Flynn, Doyle, Dawson, Murphy, G. Murphy, G. Murphy, B. Moynihan, Mullane, T. Collins, D. Collins, Carroll, J. O’Sullivan, P. G. Murphy, M. Hegarty, Hurley [40]

AGAINST: [0]

The Mayor declared the proposal carried

On the proposal of Councillor Seamus McGrath, seconded by Councillor Marcia D’Alton,

Members resolved:

“That the Budget for the financial year ending 31st December 2019 as presented by the Chief Executive and as set out in Tables A – H, to include the proposed amendment as agreed, is hereby adopted.”

RESOLUTION 2

DETERMINATION OF THE ANNUAL RATE ON VALUATION FOR THE LOCAL FINANCIAL YEAR ENDING 31 DECEMBER 2019

On the proposal of Councillor Declan Hurley, seconded by Councillor Kevin Murphy, it was agreed

“That pursuant to the provisions of the Local Government Act 2001 as amended by the Local Government Reform Act 2014, the Local Government (Financial and Audit Procedures) Regulations 2014 and the Local Authority Accounting Code of Practice and Accounting Regulations, and in accordance with the Local Authority Budget for the Financial Year ending 31 December 2019, as adopted, the annual rate on valuation as set out in Table A hereunder be the annual rate on valuation to be levied for the said Financial Year having regard to the Base Year Adjustment period of 5 years that commenced in 2016 determined in accordance with Section 29 of the Local Government Reform Act 2014. The Annual Rate to be levied shall be **74.75.**”

RESOLUTION 3

RATES VACANCY REFUND

On the proposal of Councillor Frank O’Flynn, seconded by Councillor Michael Hegarty, it was agreed

“That pursuant to the provisions of section 14 of the Local Government Act 1946, Cork County Council will continue to apply a 100% rates vacancy refund for 2019”.

VOTES OF CONGRATULATIONS

- TO:** The Girls Football Team, Scoill Barra, on winning the Sciath Na Scol final.
- TO:** Pamela and Katriona Mackey, on their selection as Camogie All-Stars
- TO:** Enda Kiernan, valued member of the Management Team of St. Finbarr’s, County Championship Winners
- TO:** St. Finbarr’s on winning the County Senior Football Championship after a 33 year absence
- TO:** Hazel Symons, on winning gold at the Word Kettlebell championship in Porto
- TO:** Inniscara Camogie Club on winning the Munster Senior Club Camogie Championship Final
- TO:** Darragh Fitzgibbon, on his selection as a Hurling All Star
- TO:** Youghal AC Ladies, National Masters Marathon Champions for 2018

This concluded the business of the Meeting