

“1. Legislative Background to Budget 2019

The budget process for Local Authorities is set out in the Local Government Act 2001 and the Local Government Reform Act 2014, together with regulations and guidance issued under the auspices of both acts. The 2019 Budget process has commenced in the same format as last year pending any further DHPLG clarification. All aspects of the budgetary process at Local Authority level must be completed by the end of year prior to the financial year to which the budget relates, to reflect the new European Union requirements in relation to the National Budget. In addition, under Section 20 of the Finance (Local Property Tax) Act 2012, a Local Authority may, as a reserved function, resolve to vary the basic rate of the Local Property Tax within its functional area by a maximum of +/- 15% effective in 2019.

2. Budget Process for 2019 - Outline

2.1. Agree the Budget Strategy

Consultation with CPG to focus on the overall position of the Local Authority and in a pre-budget context discuss a number of items of budget policy and strategy.

The 2019 Budget Strategy Meeting of September 24th will focus on the overall position of the Local Authority and include consideration of:-

➤ **The financial consequences of any variation in the basic rate of Local Property Tax (LPT).**

Refer to the Chief Executive's Report on Budget Strategy for Local Property Tax 2019.

➤ **The amount of General Municipal Allocation (GMA) to be provided to Municipal Districts.**

The definition of the GMA is provided for in regulations and is the name given to the discretionary funding which is made available to municipal district members for allocation in the draft budgetary plan. The amount an authority can provide by way of a GMA is dependent on the total level of income available to it and the non-discretionary costs that must be met as a first call on that income, including at municipal district level. The Chief Executive must consider the resource needs of the Local Authority in determining the overall level of the General Municipal Allocation proposed by the Local Authority, the budget strategy discussion with the CPG, the other decisions made on LPT, and the estimate of the non-discretionary costs of the authority must be taken into account.

The Budget Strategy Meeting will consider the overall GMA for the county. Specific General Municipal District Allocation from the GMA will be made by the Chief Executive. Section 102 (4A)(b) of the Act provides that *“in determining the resources to be made available to the municipal district regard should be given to (i) the needs of, and the resources available or likely to be available to the local authority, and (ii) resource needs of each municipal district including, where appropriate the population of each municipal district.”* The guidance provides that the total amount of GMA provided must be allocated by the Chief Executive to each municipal district in a manner that is fair and equitable. The Chief Executive must consider the resource needs; where appropriate, the population; and should make an allocation that is transparent, just, not arbitrary, and provides a minimum level of discretionary allocation to all districts.

➤ **The change to rating law which gives the power to the Members of Local Authorities to vary the level of rates refunds that apply in individual local electoral areas.**

➤ **Rates Harmonisation.**

2.2. Develop Draft Budgetary Plan for Municipal District Meetings October 2018

These plans will set out how any General Municipal Allocations allocated to the Municipal District will be spent. This only refers to the discretionary funding that is allocated to the Municipal District, with discussions on the main, strategic, non-discretionary expenditure of the Local Authority forming part of the Local Authority draft budget.

The purpose of a draft budgetary plan is to provide each Municipal District with an opportunity to allocate its portion of the General Municipal Allocation according to its priorities. The Members of the Municipal District must receive a copy of the draft budgetary plan and notice of the meeting of Municipal District 7 days prior to that meeting. The regulations provide a period (to be directed by the Minister) during which the Members may consider the draft budgetary plan. There is no provision for the adjournment of this meeting. The draft budgetary plans of the Municipal Districts of Tralee, Killarney, Listowel and South and West do not include the main strategic non-discretionary expenditure of the Local Authority, the spending of which will be prioritised by the Members as part of the development of a schedule of municipal district works after the budget has been adopted. Draft budgetary plans are incorporated into Draft Local Authority Budget for consideration in November.

2.3. Convene Local Authority Budget Meeting

Section 102 (4A) (e) provides that the Chief Executive “*shall take account of any budgetary plan adopted ... in preparing the draft local authority budget...*” If the Members of any Municipal District do not adopt a draft budgetary plan, the Chief Executive may take account of the draft budgetary plan as presented to Members of that Municipal District without amendment.

The expenditure allocated by the Municipal Districts in the draft budgetary plan will be included in the Kerry County Council draft budget within the relevant service division. Section 103 (2) (b) provides that the period for the holding of a budget meeting shall be directed by the Minister. Kerry County Council has received formal notification of the statutory period, and the 2019 Budget Meeting is set to take place in November 2018. Section 103 (6) provides that the budget meeting may be adjourned “*but any such adjournment shall be to a day that is within the period of 14 days beginning on the day on which the Local Authority budget meeting first begins*”.

2.4. Prepare Schedule of Municipal District Works and Service Delivery Plans

Section 103A (1) provides that, following the adoption of the budget, a schedule of proposed works of maintenance and repair to be carried out during the financial year in each Municipal District shall be prepared under the direction of the Chief Executive, having regard to the availability of resources. The schedule of Municipal District works shall be considered by the Municipal District Members concerned and be adopted by resolution, with or without amendment by it. In making an amendment the Municipal District Members shall have due regard to the Local Authority budget adopted in accordance with section 103(9). The 2019 Schedule of Municipal District Works will be considered by Members in early 2019.

3. Setting of the Local Adjustment Factor for Local Property Tax for 2019

3.1 Background

Under Section 20 of the Finance (Local Property Tax) Act, 2012, as amended by Section 5 of the Finance (Local Property Tax) Act, 2013, a local authority may, as a reserved function, resolve to vary the basic rate of the Local Property Tax within its functional area by a maximum of +/-15%. The local adjustment factor is the % specified in a resolution by the Council by which the basic rate of local property tax should stand

varied. This power became available to local authorities, effective from Budget 2015, as the relevant sections of the Act came into operation on July 1st 2014.

Any decision to vary the basic rate of LPT must be taken by 30th September each year so as to have effect from 1st November (liability date) and, therefore, determine the LPT liability for taxpayers in the local authority area the following year. It should be noted, when the Members are considering varying the basic rate of Local Property Tax each year, the starting point is the national basic rate. Any local variation to the basic rate is effective for that year only. Revenue Commissioners have to be notified no later than September 30th 2018 of the details of any decision made to vary the basic rate of LPT for 2019.

The Finance (Local Property Tax) Act, 2012 (as amended) and the Local Property Tax (Local Adjustment Factor) Regulations 2014, provide that in taking a decision as to whether or not to pass a resolution to vary the basic rate of the Local Property Tax, the local authority must take account of its financial position and have regard to certain matters as follows:-

- The local authority's estimation of the income it will receive and the expenditure it will incur in the period for which the varied rate is to have effect
- The financial position of the local authority
- The financial effect of implementing a local adjustment factor including the potential impact on a liable person, potential impact on the local property tax revenue during the next local financial year, potential impact on the service delivery plans of the local authority for the next local financial year and any other information the Chief Executive considers necessary and
- Feedback from any consultation held

A report on the above financial information and on the feedback from the public consultation is required to be prepared by the Chief Executive on the above matters for consideration by the Members in relation to the local adjustment factor. This report is prepared in accordance with these requirements for consideration by Members.

3.2

Schedule 1 Estimation of Income and Expenditure Kerry County Council

	<u>Current Local</u> <u>Financial Year</u> <u>Budget</u>	<u>Next Local</u> <u>Financial</u> <u>Year 2019</u>
INCOME		
Commercial Rates	41,224,294	41,584,294
Local Property Tax	14,480,856	14,480,461
Grants and subsidies	35,109,252	38,828,480
Other income	45,894,017	46,558,543
Total Income	136,708,419	141,451,778
EXPENDITURE		
Payroll Expenses	55,779,126	57,181,581
Pensions	7,868,998	8,047,241
Loan interest and principal repaid	3,354,434	3,525,702
Social benefits (transfer payments to households) - note 1	9,153,384	11,374,233
Capital grants paid - note 2	4,290,232	4,358,315
Other expenditure - note 3	56,262,245	59,664,706
Total Expenditure	136,708,419	144,151,778

note 1

Refers to RAS Payments to Landlords, Homeless Service, Mortgage Subsidy for Affordable Housing and Shared Ownership Rental Subsidy.

note 2

Refers to Housing Support Grants, Rural Water Programme, Conservation Grants and Local Enterprise Office Capital Grants.

note 3

Refers to remaining budget which includes-

- (a) Fixed costs to support Core Services incl. Insurance & Energy, Community and Economic Development, Fire Services & Building Control, Landfill & Transfer Station Operations, Coroners Expenses, Veterinary Services, Library Services, Planning Control, Statutory Contributions and Establishment Expenses.
- (b) Other Contra Items incl. Irish Water Operating Costs, TII Roads Programme & LGOPC.
- (c) Other Operational Costs incl. Housing Maintenance, Library Book Fund, Parks & Open Spaces, Economic Fund, Community Fund, Voluntary Contributions and Roads Own Resources.

3.3

Schedule 2
Financial Position of Kerry County Council

	<u>As to Year Date</u> <u>30th June 2018</u>
ASSETS	
Current Assets (including cash and investments)	107,186,099
General revenue reserve (if surplus)	6,398,907
Loan receivable	28,088,665
LIABILITIES	
Current liabilities (including overdraft)	46,720,855
General revenue reserve (if deficit)	
<u>Loans Payable</u>	
~ Voluntary housing/mortgage loans	24,017,768
~ Non mortgage loans	45,715,280
INDICATORS	
Ratio of loans payable to revenue income	0.51:1
Ratio of current assets to current liabilities	2.29:1

3.4. Estimation of Financial Effect

Section 20 (2A)(c) of the Finance (Local Property Tax)(Amendment) Act, 2013, provides that a local authority shall have regard to the local authority's estimation of the financial effect of the varied rate on the economy of its functional area, including on those persons who will be liable to pay local property tax.

The estimation of the financial effect in the local authority area must be set out in this report and considered by the Members as part of the decision making process in relation to LPT. In accordance with the Regulations the following matters must be considered:-

- Potential Impact on the LPT Revenue in the forthcoming financial year
- Potential Impact on a Liable Person
- Potential Impact on the service delivery plans of the local authority
- Any other information considered relevant

Potential Impact on the LPT Revenue in the forthcoming financial year:

Revenue Data:

The latest available statistics from Revenue in relation to LPT are as outlined below; these are included as part of this report in accordance with Department of Housing, Planning and Local Government guidance.

The Council was advised in July 2018 (Cir. 04/2018) that the Net LPT 2018 position (post variation) for Kerry County Council was €14,777,732 for 2018, at that time.

At the end of June 2018 there were approx. 68,400 properties returned in Kerry for LPT.

The Council received notification from the Department of Housing, Planning and Local Government on 19th July 2018 of the Provisional Local Property Tax Allocation for 2019 (see attached). The Local Property Tax allocation for Kerry County Council therefore for 2019 (pending any decision to locally vary the basic rate) is €13,776,761.

Based on these figures a variation to give effect to a 1% variation in the basic rate of LPT for 2019 would potentially result in an adjustment of €140,740.

It must be noted that the Department has advised that if Kerry County Council decides to vary the LPT basic rate upwards (by up to 15%) in 2019, it will retain 100% of the resultant additional income collected in the local authority area. Similarly, if Kerry County Council decides to vary the LPT basic rate downwards (by up to 15%) in 2019, the resultant loss in LPT income will be reflected in reduced LPT funding to the Authority.

Potential Impact on a Liable Person

The amount payable for LPT is determined by the market value of the residential property on 1st May 2013 as self-assessed. Property values are organised into a number of Valuation Bands by Revenue up to €1m as set out in the Table overleaf. The tax liability is calculated by applying the LPT rate to the mid-point of the band. The rate of LPT is 0.18% for properties up to a market value of €1m.

Residential properties valued over €1m are assessed at the actual value at 0.18% on the first €1m in value and 0.25% on the portion of the value above €1m (no banding applies).

The market value of the residential property as at 1st May 2013 forms the basis for the calculation of the tax for 2013 to 2019 inclusive. The current base rate for LPT is 0.18% of the valuation of the property. Property is valued in bands and is set out overleaf.

The effect of varying the base rate by 1% would result in a change of 90 cents per annum per household for the lowest valuation band; a 1% variation for the second lowest valuation band - €2.25 per year household, etc. Full details of the Impact on a Liable Person of a 1% and 5% variation on the Basic Rate are set out in the following Table:-

LPT Valuation Band Range €	LPT Charge 2019 Basic Rate €	1% Variation on the Basic Rate €	LPT Adopted 2018 (+5% variation) €	CE Request LPT - Budget 2019 €
0 – 100,000	90	0.90	94.50	94.50
100,001 - 150,000	225	2.25	236.25	236.25
150,001 - 200,000	315	3.15	330.75	330.75
200,001 - 250,000	405	4.05	425.25	425.25
250,001 - 300,000	495	4.95	519.75	519.75
300,001 - 350,000	585	5.85	614.25	614.25
350,001 - 400,000	675	6.75	708.75	708.75
400,001 - 450,000	765	7.65	803.25	803.25
450,001 - 500,000	855	8.55	897.75	897.75
500,001 - 550,000	945	9.45	992.25	992.25
550,001 - 600,000	1,035	10.35	1,086.75	1,086.75
600,001 - 650,000	1,125	11.25	1,181.25	1,181.25
650,001 - 700,000	1,215	12.15	1,275.75	1,275.75
700,001 - 750,000	1,305	13.05	1,370.25	1,370.25
750,001 - 800,000	1,395	13.95	1,464.75	1,464.75
800,001 - 850,000	1,485	14.85	1,559.25	1,559.25
850,001 - 900,000	1,575	15.75	1,653.75	1,653.75
900,001 - 950,000	1,665	16.65	1,748.25	1,748.25
950,001 - 1,000,000	1,755	17.55	1,842.75	1,842.75

Statistics issued by the Department of Housing, Planning and Local Government in relation to the LPT 2018 Valuation Bands for Kerry based on property values as at 1st May 2013 are shown below. I also set out below for information, the impact on LPT Revenue for Kerry County Council for 2019, of a variation in Local Property Tax rate:-

LPT 2018 Valuations Bands €	0 – 100,000	100,001- 150,000	150,001- 200,000	200,001- 250,000	250,001 -300,000	Over 300,000
Kerry County Council	31.9%	32.3%	26.4%	5.7%	2.0%	1.7%

Impact on LPT Revenue of KCC of a 1% Variation on the Basic Rate = €140,740

**Impact of CE Request on LPT Revenue for Budget 2019 = €703,700
(maintain at 2018 levels)**

Potential Impact on the Service Delivery Plans of the Council

The Local Property Tax Allocation continues to form a large percentage of overall income (11% in 2018) and is a general purpose grant which can be used across the divisions over all areas of expenditure and forms a critical source of income to fund services.

The Department has confirmed that any decision taken at local level to reduce Local Property Tax rates will be reflected in a reduced Local Property Tax Allocation in 2019. No additional funding will be available to the Council from the Department to offset any reduction in Local Property Tax.

3.5 Feedback from Public Consultation

The Council published notice of Statutory Notice of Consultation of Setting a Local Adjustment Factor on 25th July 2018 in accordance with the Local Property Tax (Local Adjustment Factor) Regulations, 2014, providing a period up to 29th August 2018 for the making of written submissions from the public. For that purpose, notice was published in The Kerryman, Kerry's Eye and on the Council's website and was highlighted on social media. The Notice invited submissions from the public, covering the potential effects of varying the basic rate of the Local Property Tax on businesses, individuals and on local authority services. A period of at least 30 days was provided for making written submissions to the Council in accordance with Regulations.

I set out below a summary of the written submissions received from the public consultation and the main issues raised. The Members must consider the feedback from the public consultation process. The main issues raised are as follows: -

A total of four submissions were received from the public as part of the legislative process. All four submissions were from individuals.

- One submission requested a reduction on the rate and referenced both private estate costs and the use of the 2018 increase in the LPT rate.
- One submission requested a discounted rate where estate management fees are paid.
- One submission requested a reduction on the rate on the basis of private estate charges.
- One submission requested an age-related allowance on the basis of economic circumstances.

3.6 Conclusion

I have set out in this report and the Budget 2019 Strategy Report (enclosed) the items that must be considered by the Council as part of the decision making process in relation to making any variation of the rate of Local Property Tax and overall Budget Strategy. It must be noted that a Local Authority may not set a local adjustment factor unless it has considered all of the relevant financial and other information outlined above.

At the meeting to consider the Setting of a Local Adjustment Factor for Local Property Tax for 2019, the local authority may: -

- a. by resolution vary the basic rate and set a local adjustment factor that will apply for a period of one year from the next local property tax liability date, or
 - b. not vary the basic rate
- or
- c. decide to consider the matter further at a subsequent meeting of the local authority.

It should be noted that the statutory deadline for passing a resolution to set a Local Adjustment Factor is September 30th 2018.

Where a local authority passes a resolution under the above Act (as amended), Notice of the passing of a resolution to vary the basic rate of Local Property Tax must be received by the Minister for Housing, Planning and Local Government by 30th September and the Revenue Commissioners must also be notified on or before 30th September. The Revenue Commissioners have requested that the Notification of any Local Adjustment Factor be submitted by close of business on Friday, 28th September 2018 to ensure implementation for 2019.

The Council is also required to publish Statutory Notice of Variation of the basic rate of Local Property Tax within 14 days of the passing of any resolution on our website and in local newspaper(s)."

24.09.18.02 Council's Budget 2019 Strategy Report

The Chief Executive introduced the Budget 2019 Strategy Report and read the following report into the record of the meeting:

"I set out for your information the estimated expenditure and income which forms the basis for the draft Budget 2019. Kerry County Council continues to face a challenging fiscal environment in relation to providing the funding for the necessary services and infrastructure across the county. In recent years the Council has re-aligned its Budgets to reflect the Economic and Community priorities identified in the Local Economic and Community Plan (LECP), while also maintaining Core services.

In calculating the current budgetary position, expenditure has been reviewed, cost savings implemented and income levels assessed and estimated. There is limited scope within Budget allocations to absorb additional service expenditure requirements given the lack of buoyancy in current income sources. At this stage in the Budgetary process it is evident that additional income will be required to maintain and deliver service levels and progress projects into 2019.

Increased economic activity across the County in 2018 is welcome and has been of significant benefit to many businesses and communities in Kerry.

Similarly, Kerry County Council has seen an increase in activity throughout its various Operational and Administrative functions and in the Capital Programme, placing further pressure on the Operating Budget. Significantly, this increase in activity and expenditure is not always matched by an increase in income and the Council manages the Budget resources continuously throughout the year to ensure a balanced position prevails despite competing demands.

It is expected that the 2018 out-turn on the Council's Revenue activities will increase by over €5m on the 2018 Adopted Budget (€136.71m), this is to an extent funded by additional grant aid.

The Operations Division has seen increased activity, with roads programmes being expanded and greater demands for beach cleaning, public conveniences and maintenance resources due to significantly higher tourist numbers. Kerry County Council's Housing Department has also seen a substantial intensification in activity, not only in restoring greater numbers of vacant houses to occupancy, but also in housing construction, acquisition and maintenance programmes.

Increased road grant allocations of €3m on draft 2018 provisions, have also provided for additional works on programmes such as the Footpath Programme and Drainage Programme. It is hoped to continue these programmes in 2019, subject to funding. Implementation of the Rural Development (LEADER) Programme is also reflected in increased expenditure in the Revenue Account.

Activity in the Council's Capital Programme has increased substantially in 2018; it is estimated that full year out-turn expenditure in the Housing Programme will increase to over €33m by year end, up from €20.3m in 2017 reflecting the more intensive housing delivery programme. Similarly, the Roads Transportation Capital Programme is expected to out-turn at over €33m in 2018, reflecting an increase from €25.6m in 2017. A substantial Capital Expenditure Programme is also underway for Minor Coastal Protection and Flood Mitigation Works.

The significant Capital Programme, while providing welcome grant funding, presents a challenge as many of these grants require an element of matching funding from the Council's own resources. The advancement and development of critical infrastructure such as Car Parking, Public Conveniences, Greenways, Community and Tourism Initiatives require significant leverage funding from the Council's own Budgetary allocations. This places further pressure on the Council's Budget and on meeting demands across the services. This Council has planned a €30m Greenway programme, it is reasonable to assume 20-25% will be required as an own resource contribution to support this vital programme.

Community Support Initiatives such as the Town and Village Renewal, CLÁR, Outdoor Recreation Infrastructure Scheme and other Community Initiatives provide funding allocations to the Council which require matching local funding and own resource contributions up to 25%. The opportunities presented by these grant schemes are hugely important to the continued development of Kerry's infrastructure and economic and tourism projects. However, the Council's own financial contribution to these grants by way of matched funding is an additional strain on existing resources.

The Strategic element of the Community Support Fund has enabled the assignment of matching funding for the drawdown of grants for Community, Economic and Tourism developments across the Municipal Districts.

At this point, the Gap between expenditure requirements and income is €3.4m. If the Local Property Tax Rate for 2018 is to be maintained at the same level for Budget 2019 this would reduce the gap to €2.7m

The Members will be aware from previous Budget discussions that the scope for flexibility when drafting the Budget is constrained by the cost drivers embedded in our cost structures. Significant Cost Drivers impacting on the preparation of Budget 2019 are set out below.

Non-Discretionary Expenditure

A very significant percentage of Kerry County Council's Annual Budget relates to fixed cost items such as payroll, pensions, loan charges, insurance, energy and the co-funding element of central government grants. These items significantly restrict the level of flexibility that the Council has when preparing its Budget.

Payroll

The cost of staff support to Kerry County Council's core services continues to be a very significant factor in Kerry County Council's Budget. The increased operational activity across a number of areas requires additional staffing support, with almost 50% (including pensions) of the Council's Budget relating to payroll costs.

Continued negotiations and agreements at national level under the National Pay Agreements framework create additional cost implications. Similar to last year, the Local Government Sector has been in discussions with the Department of Housing, Planning & Local Government to lessen the burden of these additional payroll costs on local authorities. Again, Kerry County Council's 2019 Budget is framed on the assumption that 80% of these additional pay agreement costs will be met centrally. Confirmation of any compensating payment has not yet been received by the Council.

Pensions

The payment and administration of pensions for former staff of Kerry County Council forms part of the Council's payroll commitment. Over the past number of years, the cost to the Council from pensions has increased considerably and is a cost that will continue to increase into the future. This is met from Kerry County Council's own resources and has a significant impact upon this Council's finances.

OPW Coastal and Flooding Scheme Commitment

Kerry County Council has maintained consistent Budget provision for Flood Mitigation and Coastal Schemes. Given recent weather events it would be an objective of Budget 2019 to increase this support. This commitment also reflects the fact that Kerry has the third longest coastline in Ireland at 684km, half of which is classified as soft and vulnerable to coastal erosion.

Works completed in 2018 include the Currow Flood Relief Scheme and North Kerry Way National Trail Seawall Repair Scheme. In addition, Coastal Protection

Schemes at Kilfenora and Rossbeigh are at design stage, as is the Clieveragh Flood Relief Scheme and Foiladuane Voluntary Home Relocation Remedial Works Scheme.

Kerry County Council is also awaiting a decision from the OPW on its applications for Coastal Protection Schemes for Ballyheigue and St Finian's Bay, as well as Flood Mitigation Schemes for the Flesk River. Flood Relief Schemes are being developed for Dromartin and Valentia Road, Caherciveen, along with a Voluntary Home Relocation Remedial Works Scheme at Gortahoosh. Other projects, such as the Ventry Coastal Protection Scheme and Voluntary Home Relocation Remedial Works Scheme at Glenflesk and Listowel are at design or feasibility stage, while tenders are being undertaken for the appointment of consultants in relation to Coastal Cell studies for both Tralee Bay and Castlemaine Harbour.

The cost of the schemes referenced above is very significant and the Council is required to contribute 10% from our own resources.

Car Parking Development

A key factor in ensuring the continued attraction of this County is the provision of adequate car parking, in both its towns and areas of significant tourist interest. Kerry County Council is continuing its programme of maintaining, improving and providing additional car parking facilities across the County. However, any development is contingent on availability of funding.

Plans are in place to develop car parking in Rock Road, Killarney, Green Street Dingle, Killorglin and Waterville, with an estimated cost of €3m to acquire lands and develop these facilities alone.

Burial Ground Provision and Development

The necessity for the development of new graveyards and providing extensions to existing graveyards, along with increased maintenance and caretaker costs has required additional expenditure in this sector.

This increase in expenditure requires Kerry County Council to consider an increase to the purchase price of burial plots, which are currently among the lowest in the country. Such additional revenue would assist the Council in continuing its Burial Ground Programme and associated loan repayments.

The capital requirements of the Burial Ground Programme is in the order of €3m, historic and current costs. Killarney Burial Ground opened in 2018 and development work is ongoing for Lixnaw, Rathass and Causeway Graveyards. Plans and approvals are being finalised for similar projects around the County. Loan repayments have been factored into Budget 2019.

Public Conveniences

The continued rise in tourist numbers in the County is reflected in the demand for improved facilities for visitors. The cost of such improvements to Kerry County Council's public conveniences, and reconstruction where necessary, requires significant investment on a continual basis. Kerry County Council is committed to upgrading public conveniences. Refurbishment works have been carried out on Ballybunion and upgrading works are planned in Tarbert, Waterville, Ballinskelligs and Caherciveen. The cost of this upgrading programme is very significant.

Support for Economic Development and Tourism Development

Kerry County Council continues to play a leading role in the promotion of economic and tourism development in this County. Part of this effort continues to be an examination of new funding streams which will help to fund and promote economic and tourism-related projects. However, these generally require co-funding, which must be reflected in the Council's Budgets.

An allocation to support economic and tourism development is included in the Budget. In particular, the tourism allocation provides an important basis on which a number of projects have been delivered in the context of the County's Tourism Strategy. Where grant funding is available these projects require local matching funding of 25% from the Council's resources. The development of the €30m Greenway programme will be a significant priority over the coming year, and a financial model to support these initiatives will be required in the context of this and future Budgets.

In relation to economic development within the County, this Council plays an important role supporting the ongoing promotion and marketing of the County and progressing a number of initiatives with Enterprise Ireland and the IDA.

Support to Community and Enterprise Projects Countywide

The increasing significance of Kerry County Council's Community Department to communities and voluntary and development groups around the County cannot be understated. The Community Support Fund (CSF) is an important enabler to provide funding for community projects and optimising grant opportunities to deliver community and enterprise related projects e.g. Enterprise Ireland Regional Development Fund Projects. The strategic element of the CSF enables the assignment of matching funding for the drawdown of grants to support this area.

Support to Housing Programme

Under the Rebuilding Ireland Initiative, Central Government has introduced a wide range of national measures to deliver housing units, including capital construction programme, acquisition and long-term leasing of houses and the restoration of voids to occupancy, along with the Rental Accommodation Scheme (RAS) and Housing Assistance Programme (HAP). These initiatives have seen a significant increase in activity in Kerry County Council's Housing Department. Additionally, the Government has also introduced a new Housing Loan scheme, which has resulted in a significant number of enquiries and a large volume of applications to Kerry County Council.

Kerry County Council also has a large housing stock with over 4,000 units. Many of these are older housing stock which necessitate an increased requirement for maintenance works. The greater financial demands resulting from this requires a greater commitment in the Council Budget.

This Council has a substantial voids programme in place in the Housing Service, recent indications from the Department of Housing, Planning and Local Government are that funding for this programme may be significantly reduced for the current year and 2019. This matter is currently under review with the Department.

As Members are aware, management and provision of solutions for those presenting requiring emergency housing and assistance in resolving homelessness issues, has seen increased activity over the years. While much of this is recovered from Central Government, this Council also carries out significant activity in relation to preventative work in this area.

Housing Grants Co-Funding

In relation to the Housing Adaptation Grants that Kerry County Council administers on behalf of the Department of Housing, Planning & Local Government, there is a 20% funding requirement from the Local Authority. The impact of these schemes on the lives of the home owners is invaluable and Kerry County Council's contribution has been increased to support the 2018 allocation.

Footpath Improvements and Drainage Programme

A programme of works is underway. It is proposed at this point that an allocation for Footpath Improvement and Drainage works be included in Budget 2019 and allow the Council to maximise the ability to apply funding in the context of National Grant Allocations.

Planning Costs

A review of both the Kerry County Development Plan and Local Area Plans require significant resources to ensure Kerry County Council has the in-house expertise to deliver these critical plans.

In addition, upcoming reviews of critical strategy documents for Kerry, including the Local Economic and Community Plan (LECP) and the Kerry Tourism Strategy will require careful consideration and scrutiny, to ensure that these strategy and policy documents are in compliance with national and regional policies such as the National Spatial Strategy and Regional Spatial and Economic Strategy.

Insurance

Given the wide range of services provided to the public and its involvement in all facets of activity in the County, it is necessary for Kerry County Council to provide comprehensive insurance cover for its assets and activities.

Notwithstanding the stringent efforts by Kerry County Council's Insurances Unit to reduce the level of claims, insurance continues to be a significant cost-driver in the Budget. The Council is in continual discussions with insurers to keep premiums at a cost-effective level, while ensuring that necessary cover is maintained. It is likely that an increase in the insurance premium will be driven by increased organisational activity, and provision for retro-liability.

Urban Regeneration and Development Fund

The newly announced Urban Regeneration and Development Fund (URDF), which has an allocation of €2bn in the National Development Plan to 2027, includes an allocation of €100m nationally for expenditure on projects in 2019. It is expected that there will be an annual call for applications from this Fund.

In line with the objectives of the scheme, Kerry County Council will submit applications for funding to progress existing planned projects. This will require co-funding from both existing Budgets and additional funding streams to be identified.

Given the level of investment available, access to such a funding stream would allow this Council to advance several critical projects identified as objectives in the LECP. The URDF is targeted towards initiatives that promote urban regeneration through public realm enhancements, opening up brownfield urban sites for housing development, targeting dereliction and providing critical infrastructure such as car parking. A number of shovel ready projects are being identified as the most suitable projects for this fund from the Urban Areas of Killarney and Tralee. An update on the potential projects for this fund was discussed at the September Council Meeting.

This Council considers such a fund to be a vitally important funding scheme for critical projects within Kerry.

Significantly, successful projects require a co-funding element of 25%, and as a result, it is important that Kerry County Council builds this element into its Budgets, in the expectation that the Council will be successful in securing funding. This may require significant realignment of Budgets to ensure this fund is maximised.

Rural Regeneration and Development Fund

In parallel, with the URDF, the Rural Regeneration and Development Fund has a €1bn fund for the period 2019-2027, with initial funding of €315m allocated to the fund on a phased basis from 2019-2022. Similar to the URDF, co-funding of 25% is required, with the emphasis by this Council on applying for funding for projects which complement the objectives laid out in the LECP. A number of Rural projects are shovel ready including Greenway Projects. An update on the potential projects to be included for this fund was discussed at the September Council Meeting.

The call under both the Urban and Rural Regeneration and Development Funds provides an important avenue for Kerry County Council to have access to a co-funding grant to progress, in the first instance, those projects that are shovel ready such as infrastructural projects for Carparks, Greenways, Community Projects, Amenity Works, Traffic Improvement Measures and Urban/Public Realm upgrades. The own resource contribution is very significant and projects will be submitted on an affordability basis. Budget 2019 will need to support the very significant own resource requirements for the Urban and Rural Regeneration and Development Funds.

Liabilities

As the Housing Construction Programme advances, some land costs will be off-set against the various schemes. However, a significant liability in relation to land loans remains to be funded. The interest-only payment agreement for these loans has expired, however this Council has negotiated one further year of the interest-only payment arrangement. It is essential that Kerry County Council continues to provide a financial contribution on an annual basis over a set period to off-set these liabilities.

Budget 2019 also recognises the increased activity resulting from additional mortgage loans approved under the Rebuilding Ireland Scheme. This Council continues to maintain the cost of landfill aftercare license requirements, legacy capital balances including funding of the machinery yard debit balance, statutory obligations and the Killorglin Area Services Centre.

Infrastructural Projects

Kerry County Council has made significant strides in the delivery of projects of strategic importance to the county, both in terms of infrastructure and in terms of economic developments. As with previous years, prudent financial planning and identifying alternative funding streams is crucial in being able to deliver these projects on an ongoing basis.

Tralee Municipal District

- Tralee Town Centre West Master Plan (Island of Geese) - Draft masterplan on display for public consultation process, demolition works ongoing.
- Tralee Town Centre Enhancement Scheme- Phase 1 (Denny St & The Mall) complete; Phase 2 (Russell St, Bridge St, Bridge Lane, High Street, Bill Booley's Lane) preliminary design and costings complete.
- Tralee-Fenit Greenway - Part 8 planning approved by Members; project shovel-ready.
- Tralee/Fenit Route Development- Phase 1 completed in 2018; land acquisition underway.
- Improvements to entrance to Fenit Village- Design complete; land acquisition being advanced.
- Advancement of Mitchels Regeneration and associated projects - 85% of overall project completed; 15 housing units nearing completion; 33 voluntary housing units at planning stage; further facilities being advanced.
- Clash to Ballymullen Link Road serving new Gaelcholaiste - Part 8 planning approved by Members; funding source to be identified.
- Tralee Northern Relief Road -Part 8 planning approved; land acquisition being advanced.

Killarney MD

- Commencement of the Lewis Road/ Áras Phádraig Master Plan Redevelopment - Appointment of a Project Manager underway.

- Cultural Centre Development - Tender process being finalised.
- Refurbishment of the Carnegie building in Castleisland and the development of an E-commerce facility for business start-up- Roof Renovation works complete. Public meeting and hot desking facilities available. Tourist office facilities being finalised.
- Rathmore Street Improvement & Town Centre Enhancement – Major Project for 2019; design finalised; part 8 planning process underway.
- Rock Road Car Park – Car Park and pedestrian-cycle improvement works -Part 8 planning approved by Members; potential funding application Urban Regeneration and Development Fund.
- Progression of the Lough Leane loop – overall route corridor being finalised.
- Sara Lee - Expressions of interest advertised nationally.
- Flesk Walkway/Cycleway construction- Design Complete; Part 8 planning approved by Members; project Shovel-Ready.

Listowel MD

- Development of the Great Southern Greenway -Part 8 planning approved by Members. Project Shovel-Ready
- Listowel Food Hub - Application to Enterprise Ireland; supported by Kerry County Council; Outcome awaited.
- Ballybunion Beach Service Centre – Potential Funding application Rural Regeneration and Development Fund.
- N69 Listowel By-pass and upgrading of JB Keane Road - CPO confirmed.
- Clieveragh Drainage works – Design being finalised.
- Dale Road, Phase 2 - Project appraisal finalised and submitted to DTTAS in July 2018.
- Bridge Road Listowel Traffic Management Works - Design Finalised; Project Shovel Ready.

South and West MD

- South Kerry Greenway – Planning lodged with An Bórd Pleanála
- Dingle Car Park- Green Street – Design complete; Part 8 planning approved by Members; Project Shovel Ready
- Killorglin Car Park- Annadale Road -Preliminary Design work completed. Part 8 approval to be sought in 2019.
- Dingle Inner Relief Road. Phase 4 under construction. Phase 5 – Part 8 approved. Detailed design to be completed.
- Kenmare Peninsula Lands – Lands purchased; Masterplan being examined.
- Kenmare Market/Trading area - Market Rights approved. Works ongoing. Preliminary appraisal of enhanced trading area/public realm works being examined.
- Skellig CRI Project -Project is operational
- Support for the Valentia Transatlantic Cable UNESCO project.
- Preliminary appraisal of SneemEC- Refurbishment of the old Sneem Enterprise Centre to serve as a hub working facility. Refurbishment works nearing completion.
- Provision of additional parking at Portmagee to accommodate the increase in visitors to the area - Car parking options being explored
- Retrofitting all public lighting in the Dark Sky Reserve to enhance the area for Astro-Tourism – Programme ongoing.

These very progressive and positive projects from across the County will in time, and over the longer term, provide very positive results for the economy and the social fabric of the County. However, it is important in the short-term that the financial support is available to make these and similar type projects a reality.

The expenditure required to underpin and support these projects will no doubt impact on the revenue budget and are included and form part of the draft expenditure budget I have outlined above.

Income

Kerry County Council continues to focus on maximising the income across all revenue streams. However, there continues to be little buoyancy in the Council's revenue streams, which has a significant constraining impact when preparing the Budget for the year ahead.

Kerry County Council's main funding streams as per Adopted Budget 2018 are from the following sources:- State Sector Grants (26%), Rates (30%), Local Property Tax (11%), Irish Water (9%) and other local income (24%).

Irish Water have advised that the target expenditure on Goods and Services (OPEX) may be reduced by 4% for 2019. Kerry County Council will need to consider the impact of any such reduction in the context of Budget 2019 finalisation.

The constraints on Rates income due to limited buoyancy as a result of the rates harmonisation process, and the ongoing impact of reductions in global valuations, continues to impact upon this Council's ability to increase income in this area.

Over the coming weeks, as part of the Budget process, a full analysis and impact assessment will be undertaken of all critical income streams including a review of the rates harmonisation period, income collection levels and car parking income.

Rates on Vacant Premises - Financial Impact

The current rate of refund in Kerry County Council is 100%. Analysis would indicate that this source of revenue would provide a very low collection rate, given the type of properties that qualify. It is accepted that some potential income may exist in the larger towns in the county, however, Members do not have the option to vary the rate in particular locations within the Municipal Districts. In light of these difficulties, and the ongoing review of this area nationally, I consider any financial provision in this area would be unwise.

General Municipal District Allocation (GMA)

The definition of the GMA is included in the Chief Executive's Report on the Setting of a Local Adjustment Factor for Local Property Tax for 2019. However, I wish to advise members that any GMA is dependent on the level of income available to the Council in the context of the overall budget.

The overall Municipal District Allocation for 2018 was €1.707m. This is comprised of €0.75m for the Municipal District fund and Councillor Specific Municipal Operations District allocation of €0.957m. The Municipal District Fund has benefited the four Municipal Districts under the following headings; Community Projects, Tourism including Festivals, Recreation/Amenity and Community based Economic Projects and has achieved many of the objectives of this Council's key strategies.

In the context of the Budget Strategy and resources available and considering Kerry County Council's increasing commitments towards matched funding relating to the drawdown of grants, it may be necessary to review the Community Support element of the allocation and agree with Council the level of strategic funding to be set aside for the purposes of matched funding for specific schemes.

Draft Budgetary Plans – Meeting October 2018

The draft budgetary plans of the Municipal Districts will be brought before Members - October 22nd 2018.

Local Property Tax (LPT)

In this report, I have highlighted the major issues and cost drivers which need to be considered in framing the Budget Strategy for 2019. These must be considered in conjunction with the Chief Executive's Report on the Setting a Local Adjustment Factor for Local Property Tax 2019. Having reviewed the spending needs of the organisation required to maintain day to day service levels and support ongoing developments across the County and given the lack of buoyancy in income in 2019, it is essential that the LPT allocation contributes to meeting, in part, the shortfall. At this point, the Gap between expenditure requirements and income is €3.4m. If the Local Property Tax Rate for 2018 is to be maintained at the same level for Budget 2019 this would reduce the gap to €2.7m.

As part of the consideration of the Budget Strategy, I refer Members to the Chief Executive Report's on the Setting of a Local Adjustment Factor for Local Property Tax for 2019 in relation to the financial consequences of any variation in the basic rate in LPT.

I set out below for information, valuation bands for Kerry, and the impact on LPT Revenue for Kerry County Council for 2019, of a variation in Local Property Tax rate:

LPT 2018 Valuations Bands €	0 – 100,000	100,001- 150,000	150,001- 200,000	200,001- 250,000	250,001 - 300,000	Over 300,000
Kerry County Council	31.9%	32.3%	26.4%	5.7%	2.0%	1.7%

Impact on LPT Revenue of KCC of a 1% Variation on the Basic Rate = €140,740

Impact of CE Request on LPT Revenue for Budget 2019 = €703,700 (maintain at 2018 levels)

In conclusion, I am requesting that the Members consider maintaining the Local Property Tax at the 2018 level for Budget 2019.

It should be noted, when the Members are considering varying the basic rate of Local Property Tax each year, the starting point is the national basic rate. Any local variation to the basic rate is effective for that year only.

In addition, this Council in its ongoing budgetary preparations, will be required to address the remaining €2.7m shortfall, which will necessitate cost savings across the various departments and careful examination of income streams to identify possible increases.”

The Chief Executive said that while funding is coming into the county for projects Kerry County Council must be able to provide matching funds and the personnel to progress the projects in relation to design, etc. She said she believes it is a very reasonable ask for a 5% increase on the LPT baseline, i.e. to maintain the 2018 LPT rates. Additional resources will be required to advance projects on which initial works have been done.

Cllr. B. O'Connell commended the reports presented by the Head of Finance and Chief Executive. He PROPOSED that Kerry County Council maintain the 2018 LPT rates. Elected Members cannot abdicate their responsibility to the people that elected them in ensuring services are delivered to communities and getting the best service delivery.

Reducing the LPT will have a serious impact on delivery of services. The LPT supports the delivery of great services, e.g. the Community Support Fund which supports sports clubs, some of which would not survive without this support.

Cllr. J. Finucane **SECONDED** this proposal and said the 2018 LPT supported two particular projects which required matching funding under the Enterprise Ireland grant scheme. The progress of the agri-tech hub in Killorglin is proof of this matching funding provision. Local families are behind these projects and they are committed to the county. Support of projects like this is required to address rural decline and to keep young people working in the county. After many years of preparations and negotiations, there are many flagship projects which are ready to progress and need to be up and running within 2-3 years as delays with projects is frustrating for everyone involved. The local contribution required for match funding these projects will not be possible without the LPT funding.

Cllr. D. Grady thanked management for the reports presented. He asked for a breakdown of the €107m of assets owned by Kerry County Council. He expressed concern that the Revenue Commissioners have moved properties from one valuation band to another without consulting the property owner. While on investigation the matter was rectified, the Revenue Commissioners cannot just do this. He asked why Killarney is not mentioned under the Community Enterprise projects and considered that Killarney is not getting a fair share of funding. In relation to Housing, he noted that there is improvement and he welcomed the progress with Armagh House in Killarney. He asked for an update on plans to provide a water feature in Killarney.

Cllr. M. Gleeson thanked management for the reports presented. He said a federal form of Government would be the best form of Government for Ireland, and in every review of Local Government he has made submissions on this matter. It is an obscene system that Government Departments offer to fund projects in the county provided the Local Authority contributes a percentage of funding. The LPT offers Local Authorities and Elected Members some small bit of autonomy to progress projects and support local groups who have a commitment to their own place. Communities feel respected by being supported through the Community Support Fund. He congratulated all involved in progressing the Kerry greenway projects. On balance, the LPT serves our county well in bringing projects to fruition. We must do more for ourselves as a Local Authority because without that we are selling our communities short. He supported an increase of 5% on the LPT base rate as it will serve Kerry, Killarney and communities well. He supported Cllr. Finucane's statement that delays in bringing projects to fruition is frustrating.

Cllr. J.F. Flynn acknowledged the work of the Chief Executive, Head of Finance and staff in compiling the reports presented. He asked that plans be put in place to ensure that burial grounds can be extended when required. He called for a programme to be put in place for hedge cutting. He acknowledge the projects supported by the Community Support Fund, however, expressed concern that smaller groups are not meeting the criteria to secure aid through this fund. He asked that a report on lands in the Council's ownership, and on which loans are being paid, would be presented to the Elected Members. If there are lands in our ownership that are not suitable for housing development consideration should be given to disposing of them rather than bearing the liability of loan charges on them.

Cllr. J.J. Culloty thanked management for the report presented. While acknowledging that every effort is being made to secure funding, he said that he could not support an increase in the LPT for 2019. He said he does not believe the Community Support Fund is affected by an increase in LPT. Of the €14.7m collected, 20% of the overall LPT amount collected in Kerry is being returned to central government and taken out of the county. LPT is a tax on top of all other taxes that are being paid. All LPT collected in Kerry should remain in Kerry to fund projects in the county. Rate payers are paying high rates for services. The condition of the county's roads is an issue, roads serving businesses are not adequate. People do not see the benefit of paying LPT and an increase in LPT cannot be justified. He asked when confirmation of any compensating payment in relation to payroll will be received. He asked what is the cost to the Local Authority of the landfill being closed. He asked for clarification of the difference between the LPT figures of €14,777,732 being the Net LPT 2018 Post Variation as per Circular Fin 04/2018 and the €14,480,461 LPT figure for 2019 in the Chief Executive's report.

Cllr. M. Cahill said he appreciated that the work of the Council is vast but it appears that the Local Authority is bailing out state bodies by having to support private partnership projects. Projects like the Greenways should be fully funded by the state and not reliant on the Local Authority for a subsidy. The South Kerry Greenway will generate income because there will be new businesses and additional rates will be payable by those businesses. He referred to the need for funding for the development of a pier at Cromane and coastal erosion at Inch. The job of the Local Authority is to provide the basic services; people facing homelessness are being referred to the Homeless Information Centres, public lighting, footpaths and burial grounds require funding and hedge cutting is also an issue that needs to be addressed. He supported Cllr. Culloty's comments regarding the condition of roads and referred to a reply to his recent notice of motion which stated that 40% of local roads are in a poor condition and require investment of €170m and it will take at least 20 years to bring those roads up to an acceptable standard. The Local Authority must get these basics right.

Cllr. P. Daly said the reports present all the good the Local Authority does and services have been delivered. Great work is being done through the Homeless Information Centre; the Local Authority is the primary driver of festivals in the county; urban regeneration and enhancement works are being done; the housing grant scheme is allowing the most vulnerable to improve their homes. The question is who is going to pay to provide these services. He said it is not the soft targets of people who own their own homes and have taxes and management charges to pay that should be called upon. He questioned the continuance of the rates harmonisation system when the county has experienced bonanza years in tourism. He questioned the refund of rates paid on vacant properties which are an eyesore in towns throughout the county. He said the Local Authority could make savings by self-insuring. The interest paid on loans must also be addressed. He said he could not support an increase on the LPT base rate for 2019.

Cllr. J. Lucid thanked the Chief Executive and A/Head of Finance for their clear and comprehensive presentations. Most people who do not deal regularly with the Local Authority do not have an understanding of the role it plays in nearly every activity in the county. The LPT gives the Local Authority a certain amount of discretion to fund projects and assist employment. In Listowel that food hub project could generate hundreds of jobs. An increase of €4.50 per year is not vast and the funds raised could support many projects, e.g. coastal erosion, flood mitigation, footpaths and drainage work. There has been significant work done through the roads programme and the

next Roads Programme will deal with blackspots within the county. Many communities have benefitted from the Community Support Fund. He said he would be supporting an increase on the LPT base rate for 2019.

Cllr. P. Connor-Scarteen said the income from the increase in LPT for 2018 was ring-fenced for specific projects. The urban and rural regeneration fund will have an impact on the county as there are many projects that could be funded through that scheme. There are many capital projects in the county to be expanded, e.g. housing schemes, burial grounds and columbarium walls, car parking. While welcoming the provision of 22 new houses in Kenmare, he said it is imperative that footpaths and public lighting are provided for them. He welcomed the purchase of lands at Kenmare peninsula and said funding will be required to provide a park on these lands. He supported an increase on the LPT base rate for 2019.

Cllr. T. O'Brien complimented the staff involved in preparing the budget reports and noted that it is not an easy job for them to do nor is the decision on LPT an easy one for the Elected Members to make. People want projects delivered and want to see results. Frustrations are understandable given the number of projects we are trying to deliver, the length of time it is taking to deliver these projects and the restrictions on funding availability. He said he supports maintaining the 2018 rate of LPT as it will help provide funding for projects we are trying to deliver.

Cllr. B. Cronin thanked the Chief Executive and A/Head of Finance for their presentations. An increase of 5% on the base rate would result in an increase in income of €703,700, which is a miniscule amount in the context of the whole budget. He said while he is very proud of the achievements of Kerry's private multi-national companies, he disagreed with the ringing fencing of monies in 2017 to fund projects by these private companies. He said he recognises the commitment from management regarding projects identified, however, lack of progress is leading to frustration. Car parking is an issue in the county's towns and letting the Fairhill car park in Killarney to a private company for 6-8 weeks is frustrating when there is a need for car parking in Killarney. The link road within Killarney is also very important, it has been discussed for over 5 years and is only now progressing. He welcomed the progress on the Rathmore Street Improvement & Town Centre Enhancement. The development of the Sara Lee site and the Flesk walkway are very important to Killarney. People in rural areas, who are paying their LPT, are being failed; what did they get for paying their LPT? They do not get public lighting or footpaths, they ask for hedge cutting to be done. He said he has supported roads enforcement, but people are complaining about hedge cutting in the same areas each year. He said one Roads Enforcement Officer is not sufficient for the whole county and called for Municipal District staff to be involved in this area. He said he could not support an increase on the LPT base for 2019.

Cllr. L. Purtill thanked management for the reports presented. He said the LPT has been of huge benefit to every town and village in the county. Listowel Municipal District has many projects which are ready to be progressed. There are many roads in Ballylongford and the Listowel area which are in need of repair, similar to the Dale Road. He said he would support the proposal to maintain the LPT at the 2018 rate.

Cllr. A. Thornton said a hard decision has to be made regarding the LPT, and it also has to be balanced. She agreed with Cllr. Gleeson and said as current Cathaoirleach of Listowel Municipal District she can see how the town, like other towns across the

county, is reaping the benefits of the Community Support Fund. We are trying to mirror the achievements of other towns and the growth and economic development, e.g. the greenway in Waterford. Rural decline and unemployment are pressing issues to be addressed. North Kerry wants and is ready for the Greenway project. It is also a social project, with very important social amenities being opened up in rural areas where they are needed. She said in the absence of full national funding for this project we need to do something for ourselves to ensure projects in the county progress, and for this reason she would be supporting Cllr. O'Connell's proposal.

Cllr. N. Kelleher complimented staff on the reports provided to the Elected Members. He said the Elected Members are making a decision on the income of this Local Authority without knowing the budget for 2019. He requested that a letter issue to the Minister asking that Local Authorities be advised of their budget prior to making a decision on the LPT rate. There is also no need for LPT bills to be issued before the end of the current year, they could be issued in the year they are due. LPT replaced funding that was previously provided from central Government directly to Local Authorities. He said the LPT, per the Revenue Commissioner's website, is to benefit all citizens directly. There is a severe problem with providing basic services in the county, therefore he could not support a variation on the LPT basic rate.

Cllr. D. Quigg said this is not the correct revenue raising model for Local Authorities. Sinn Féin support the Community Support Fund, but is against the revenue raising exercise to fund it. With regard to the consultation with CPG on the budget and budget strategy, Sinn Féin were not represented in that early consultation. He asked that Sinn Féin be involved in consultations on future budgets, the revenue raising model must be changed. He said he would not support an increase on the LPT base rate for 2019 as such an increase cannot be justified to people living in rural areas where hedge cutting is required and roads are in a terrible condition. He asked that a group be convened to consider new funding models with solutions that will not impact on the home owners every year.

Cllr. M. Kennelly supported Cllr. O'Connell's proposal to maintain the 2018 LPT rate for 2019. He referred to the Chief Executive's account of works done by Kerry County Council and said the work of the Local Authority affects the life of everyone in Kerry. The funds from this rate of LPT will see projects across the county progress, e.g. the food hub in Listowel, and which will provide employment.

Cllr. J. Sheahan said Killarney is in dire need of car parking, traffic congestion needs to be addressed and housing must be provided. He said by supporting Cllr. O'Connell's proposal funding will be available to address many of these issues. He said there is a need for more outdoor staff to be employed. He asked that a clash of dates between the LPT meeting and Tidy Town results would not happen again.

Cllr. J. Healy-Rae asked how much of the LPT collected will stay in the county and how much must be returned to central Government. He said commercial rates are a very important element of Kerry County Council's budget, accounting for €41m of same. Commercial rates are based on a square metre basis and the amount of space used by the business. He asked that the rates for car sales businesses would be reviewed. He suggested that rates could be a percentage of Gross Profit. He asked that rates would not be applied on vacant properties. He said people are facing increases in the price of heating oil and diesel and he could not support an increase on the LPT base rate. The LPT bands will be reviewed by Government in 2019 and we can expect that

they will not be reduced. The presentation of the county's roadside hedges is an issue that needs to be addressed. One Roads Enforcement Officer is not enough to police the whole county and enforce the requirement of landowners to cut their hedges. It is difficult to make a decision on the LPT without having details of the full budget figures for 2019.

Cllr. R. Beasley welcomed the report from management. He welcomed progress with the North Kerry Greenway, the Tralee-Fenit walkway and the South Kerry Greenway. He welcomed the housing development to proceed in Ballybunion in 2019 and said construction of houses is vital to address the housing crisis. He expressed his disappointment that anti-social behaviour continues in housing estates across the county and called for a resolution to these issues. He said dog fouling is still an issue in town and on beaches. He acknowledged the benefit of the Community Support Fund to small communities and called for this support to be increased. It is disappointing that despite the vast Roads Programme that is proposed, that many roads will remain with works to be done. He asked what provision has been made to progress Phase II works to the Dale Road.

Cllr. T. Ferris said while property valuations on commercial premises are awaited from the Valuations Office income is lost to the Local Authority. The review of LPT bands will have an impact on households as low market valuations are currently being used. The biggest issue with LPT is that there is no clause in relation to the person's ability to pay. There is provision regarding deferred payments but there are penalties imposed for same. She said she would not support an increase on the LPT base rate for 2019. She said the LPT does not affect the Community Support Fund and how it contributes to local communities, as provision will be made for that fund.

Suspension of Standing Orders

The Cathaoirleach indicated that it was 1.30pm and it would be necessary to suspend Standing Orders.

On the PROPOSAL of Cllr. N. Kelleher, SECONDED by Cllr. B. Cronin it was agreed to suspend Standing Orders to allow the meeting to continue.

Cllr. G. Spring thanked the Chief Executive for her report and said while he voted against an increase last year he understands the value of the centres of excellence provide and how they will assist with the provision of skills needed in the county. He said he would be supporting the retention of the 2018 LPT rate for 2019. The income from the 5% increase on the LPT base rate could provide matching funding to ensure drawdown of national funding for many projects, including the much needed greenways in the county.

Cllr. J. Moloney said rates harmonisation lead to an increase in rates for Killarney and Listowel. North Kerry is overdue some investment. By supporting the 5% increase on the LPT base rate for 2019 we could be supporting specific projects, e.g. the greenway and the food hub in Listowel, when we cannot rely on 100% state funding. Such projects will draw people home and create employment in the county.

Cllr. M. Healy-Rae thanked management for their presentations. She said she was surprised that only four submissions were made on the LPT, but not surprised that they related to private estates. While there are problems with footpaths and public lighting in estates people will ask why are they paying LPT. She asked if there are any proposals to increase staff in the Housing Department to ensure the provision of more

housing and address issues arising in that area. She referred to car parking and traffic congestion, issues that arise at every meeting and are a particular problem in Killarney. The provision of the outer by-pass for Killarney is vital. Short term measures proposed in the Traffic Management Plan are not being enforced. She said people are not getting basic services and she would not support an increase on the LPT base rate.

Cllr. P. McCarthy thanked the Chief Executive, A/Head of Finance and all staff in the Finance Department on the work in producing the budget reports. He asked that before the Budget meeting in November the Elected Members would be provided with the following:

- (1) What is the percentage of the average industrial wage that is paid on LPT in Ireland.
- (2) What percentage of the average industrial wage do people pay in other European countries and how is the LPT income distributed in other European countries.

Cllr. N. Moriarty said she supported the increase on the LPT base rate for 2018 as the income from same was being ring-fenced for specific projects, however that was done on the basis of it being a once-off increase and she had to honour that commitment. She said while she can see the merit in what is being proposed, she would not be supporting an increase on the LPT base rate for 2019.

Cllr. D. McCarthy thanked staff for their work on the reports presented. He said there is a lot of work done, projects are progressing and he would be supporting the proposal to maintain the 2019 LPT rate at the 2018 level.

Cathaoirleach N. Foley acknowledged the body of work done by the Chief Executive, A/Head of Finance and staff in preparing the budget reports. She said last year there was a commitment that the increase would be a once-off increase and LPT would revert to base rate for 2019. She acknowledged all the excellent work that has been done, however, she would not support an increase on the LPT base rate for 2019.

The Chief Executive said she would welcome a review of the budget process which would bring consideration of the LPT and the full Budget together. She responded to queries from Elected Members as follows:

- In relation to the percentage of LPT monies retained in the county, Appendix A of the Chief Executive’s Report sets out for 2019 for Kerry County Council that:

LPT 100%	=	€14,074,030
LPT 20% towards Equalisation funding	=	€2,814,806

Income from every percentage by which LPT is increased above the base rate is retained in full in the county. The 2019 base line for LPT for Kerry County Council is €13,776,761 following application of the equalisation model. In general, 80% of all LPT receipts are retained within the Council area where the tax is raised. The remaining 20% of the tax collected nationally is redistributed on a equalisation basis to Local Authorities.

- Infrastructural projects for Killarney Municipal District are set out on Page 8 of the Budget 2019 Strategy Report.
- Ross Road – this project is ready to proceed, subject to funding. It is expected that some level of own resources will be required for same.

- Hedge cutting – The process in relation to dealing with complaints received regarding hedge cutting will be reviewed to include the involvement of the Municipal District offices.
- Car parking in Killarney – provision of car parking is part of the development of the overall car parking strategy and every effort is being made to acquire land to increase car parking. A site has been acquired at Rock Road which will increase car parking capacity by 10%. The Urban Regeneration and Development Fund (URDF) may provide some funding for this project.
- There are no guarantees in relation to the Urban Regeneration and Development Fund (URDF) bids that have been made. Kerry County Council will be submitting as many bids as can be financially afforded.
- The LPT monies raised from the increase for 2018 were ring fenced for projects that were being developed under an European model where innovation hubs are set up between private enterprise, Universities and Local Government. By Kerry County Council making a financial contribution and making a commitment to the projects, it allowed them to leverage Enterprise Ireland funding. These projects are getting huge traction internationally and nationally and are great for the reputation of Kerry.
- This year Enterprise Ireland is calling for more community lead projects, e.g. Listowel and Firies Food Hubs, and it is hoped some of the very strong bids that have been made will be successful in securing funding.
- Rates harmonisation was part of a negotiation with Council. The rate was taken as the base rate plus seven, the highest point, however it does limit the income base.
- With regard to the income of €703,700 that would be generated by maintaining at 2018 LPT levels, there are multi-million projects within the county to be progressed and there are projects which require ongoing commitment. If LPT is maintained at 2018 levels, there still remains a €2.7m gap in the budget to be funded. What is being asked of the Elected Members is to retain the LPT levels that were applied for 2018 which is a modest increase over the LPT base rate.
- A Roads Programme is being developed at present which will be presented to the Elected Members at Municipal District level and to full Council in October.
- In relation to the Community Support Fund, this fund has been in place for four years and has been very successful with over €2m given to communities and 1,202 projects supported. This was achieved through the budget and the LPT and has been the benefit to those 1,202 bodies. If the LPT was reduced in any way it would have brought pressure to maintain the level of support given to communities through the Community Support Fund. Very significant, as well as smaller, projects are funded through the Community Support Fund.
- There is a revaluation proposed in relation to LPT. Local Authorities have been advised that the current LPT bands remain applicable for 2019. We will be advised of what is to happen for 2020 in due course.
- The Local Government sector as a whole is experiencing a time delay with regard to properties that are waiting on commercial revaluations.

- Other counties have taken different approaches regarding LPT, however, we cannot invest and progress the significant infrastructure projects in the county with matching funding being available from own resources.
- In relation to the significant after care costs for the landfill, a lot of work has been done and further investment is needed. Annual operational costs for the North Kerry landfill are in the region of €500,000 and there is also a loan on the landfill to be supported.

The Chief Executive said the Elected Members are being asked to maintain the 2018 LPT rate for 2019.

Cllr. J.J. Culloty asked for clarification of the difference between the LPT figures of €14,777,732 being the Net LPT 2018 Post Variation as per Circular Fin 04/2018 and the €14,480,461 LPT figure for 2019 in the Chief Executive's report.

Ms. K. Moriarty, A/Head of Finance, said the LPT figure of €14,777,732 includes the 5% variation that was applied for 2018 and is the pre-equalisation figure. For 2019 the LPT figure reverts to the baseline figure of €13,776,761 following application of the equalisation model for distribution of the LPT.

Cllr. J.F. Flynn referred to loan charges on lands owned by Kerry County Council and said consideration should be given to selling lands that are not of use for development as they are a cost to the Local Authority. He asked that a report on lands in the ownership of Kerry County Council, identifying the suitability of those lands for housing development, would be presented to the Elected Members at a future meeting.

The Chief Executive said every piece of land that can be developed will be developed. Some lands in our ownership are landlocked which is not to say that the land would not be useful in the future. Gaining access to such lands could open up very useful lands. Kerry County Council has given lands to communities for community use. Lands were also acquired as part of roads programmes.

Mr. L. Quinlan, Meetings Administrator, said a vote would be taken on Cllr. B. O'Connell's proposal which was seconded by Cllr. J. Finucane as follows:

"That we the members of Kerry County Council hereby resolve to vary the basic rates of Local Property Tax (0.18% and 0.25%) for 2019 by 5% and set a local adjustment factor of 5% in accordance with Section 20 of the Finance (Local Property Tax) Act 2012 as amended by Section 5 of the Finance (Local Property Tax) Act 2013."

The vote resulted as follows:

For: Cllrs. Connor-Scarteen, Finucane, Gleeson, Grady, Kennelly, Lucid, D. McCarthy, P. McCarthy, Moloney, O'Brien, O'Connell, Purtill, Sheahan, Spring, Thornton **(15)**

Against: Cllrs. Beasley, Cahill, Cronin, Culloty, Daly, Ferris, Flynn, J. Healy-Rae, M. Healy-Rae, Kelleher, McEllistrim, Moriarty, O'Shea, Quigg, Foley **(15)**

Not Voting: (0)

Absent: Cllrs. Barry, Fitzgerald, Locke **(3)**

Mr. L. Quinlan, Meetings Administrator, referred Elected Members to Standing Order No. 52 which states:

“Without prejudice to any enactment or other provisions of these Standing Orders requiring either the presence of a specified number or proportion of the members or that a specified number or proportion should vote in favour for the doing of any particular act, all acts of the Council which are reserved functions or questions duly coming or arising before a meeting of the Council shall be determined by a majority of the members present and voting or where there is an equality of votes, by a second or casting vote of the person chairing the meeting (which person shall have and may choose to exercise such a vote).”

Cathaoirleach N. Foley exercised her casting vote and voted against the proposal.

Mr. L. Quinlan, Meetings Administrator, declared the proposal DEFEATED.

24.09.18.03 Date for Budget Meeting

On the PROPOSAL of Cllr. B. O’Connell, SECONDED by Cllr. J. Finucane, it was agreed that the Budget Meeting would be held on Monday 12th November 2018 at 10.30 a.m.

Tidy Towns Competition Results

Cllr. M. Gleeson announced that Listowel were the county winners in the Tidy Towns competition.

Cllr. A. Thornton said it was a difficult decision to be absent from the Tidy Towns awards ceremony today. Listowel Tidy Towns Committee received €3,000 from the Community Support Fund and it was of great benefit to the group and the work they do in the town. She congratulated the Listowel Tidy Towns Committee on their win.

The Cathaoirleach said Killarney and Tralee have retained their gold medals for 2018. Listowel has also been awarded Best Small Town for 2018. She said Listowel has also been named Ireland’s overall Tidiest Town for 2018. She congratulated Listowel Municipal District Cathaoirleach and everyone involved in the Tidy Town group. It is a great coup for Listowel and the county.

Cllr. M. Kennelly congratulated Listowel Tidy Towns Committee on their success and said it is the best news story of a community working together.

Cllr. J. Healy-Rae congratulated Listowel on its success in the Tidy Towns Competition 2018.

Cllr. R. Beasley congratulated Listowel and all towns and villages on their success in the Tidy Towns Competition 2018.

Cllr. G. Spring congratulated Listowel on its success in the 2018 Tidy Towns Competition.

Cllr. J. Moloney congratulated Listowel on its success in the Tidy Towns Competition and thanked all volunteers for their work in the town. He reiterated the request that a clash of meeting dates would not happen in future years.

Cllr. P. McCarthy expressed his congratulations to all towns on their success in the Tidy Towns Competition.

The Chief Executive in congratulating Listowel and all towns on their success in the Tidy Towns Competition 2018 thanked Elected Members for attending the budget/LPT meeting today.

The meeting concluded at 3.10 p.m.

Liam Quinlan
Meetings Administrator

Cathaoirleach of Kerry County Council