

COMHAIRLE CHONTAE NA GAILLIMHE

MINUTES OF STATUTORY BUDGET MEETING FOR GALWAY COUNTY COUNCIL HELD AT ARAS AND CHONTAE, PROSPECT HILL, GALWAY, ON MONDAY 16TH DECEMBER 2013 @ 2.00 pm

I LATHAR:

CATHAOIRLEACH:

Cllr. Liam Carroll, Mayor of the County of Galway

BAILL:

Cllrs. T. Broderick, S. Canney, D. Connolly, M. Connolly, S. Cunniffe, J. Cuddy, Comh S. O’Cuaig, Comh T. Ó Curraoin, M. Fahy, P. Feeney, G. Finnerty, M. Finnerty, M. Hoade, P. Hynes, S. O’Laoi, M. Maher, E. Mannion, T. Mannion, T. McHugh, J. McClearn, J. McDonagh, M. Noone, P. Roche, K. Ryan, Comh S. Ó Tuairisg, S. Walsh, T. Walsh, T. Welby, B. Willers.

OIFIGIGH:

Ms. Martina Maloney, County Manager, Mr. G. Mullarkey, Head of Finance, Messrs. J. Cullen, K. Kelly, E. Cummins, Directors of Services; Mr Liam Gavin, A/Director of Services, Mr Michael Owens, County Secretary & Meetings Administrator, Mr M. McGovern, Management Accountant, Mr. Evan Molloy, Senior Engineer; Mr. Michael Raftery, CFO, Mr. S Groarke, AO.

A proposal to adjourn the Budget Meeting for half an hour was proposed by Cllr. J McDonagh, seconded by Cllr. J. McClearn and agreed.

The Mayor adjourned the meeting to 2.40 pm

The meeting resumed at 2.40 pm and the Mayor invited the Co. Manager to present the Budget 2014 Report to the Elected Members.

BUDGET 2014

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The County Manager referred to the Draft Budget for the year 2014 together with a report detailing the main provisions which had been circulated previously in accordance with statutory timelines to each member of the Council.

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She stated that a summary report from the Directors of Service in respect of activities of their respective functional areas is also enclosed. In addition, she referred to a report setting out the principal achievements of the Council over the period 2009-2014, in line with the Corporate Plan adopted by the Council for its Term of Office in 2009. She advised that this set out the many projects brought forward during that period, despite the harsh economic conditions that existed and the limited human and financial resources which were available. In accordance with statutory requirements the Draft Budget was considered at meetings of the Corporate Policy Group on the 18th of November and the 6th of December 2013.

She advised that the Council is required to:

- a) adopt the Draft Budget, with or without amendment and
- b) determine, in accordance with the Budget so adopted, the annual rate on the valuation to be levied. The Council is required to complete the statutory process within a period of 21 days. This allows, for the adjournment, if necessary of the statutory meeting which is scheduled for 16th December 2013, provided the process is completed by 5th January 2014.

She then presented the following report to the Council.

Context of Budgetary preparation

Local Government is entering a period of profound change, having regard to the publication of the recently announced reform proposals. Minister Hogan has stated that 'Putting People First' incorporates 'the most fundamental set of changes in local government in the history of the state from regional and county level through to the municipal level of governance.' The document proposed that 'Local Government will lead economic, social and community development locally. It will be the main vehicle of governance and public service at local level, deliver efficient and good value services, and represent citizens and communities, as effectively and accountably as possible'.

The Bill includes four key themes:

(1) Structures

The Bill introduces a new model of municipal governance within counties, with the establishment of new municipal districts which replace the existing town Councils. Elected members will decide relevant matters at district level and collectively they will form the plenary County Council. There will be a unified county-wide administration, with no duplication of functions between district and county levels. The eight regional authorities and two regional assemblies will be replaced by three regional assemblies, with new strategic functions.

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Galway County Council Actions arising 2014

The establishment of the Municipal Districts will be instigated following the local elections in May 2014.

The winding up of the West Regional Authority will take place following the local elections. The Town Councils of Ballinsloe, Tuam and Loughrea will be replaced by the Municipal Districts.

(2) Funding, Accountability and Governance

Local services administered by local authorities are funded through the new local property tax. This financial responsibility is intended to underpin local democratic decision-making. A new independently chaired National Oversight and Audit Commission for Local Government will be established with external evaluation expertise. The proposals include provision for the replacement of the position of County Manager with a Chief Executive and the strengthening of the reserved functions of elected members.

Galway County Council Actions arising 2014

Compliance with the requirements in the legislation

(3) Economic Development and Job Creation

The Council will have an enhanced role in economic development and enterprise support, with a dedicated Strategic Policy Committee for Economic Development. A Local Economic Strategy will be prepared and adopted as part of the County Development Plan. The Local Enterprise Office (LEO) will be integrated with the Business support unit to create a one stop shop for business. It is hoped that this innovation will be introduced in March 2014.

In addition the Council will establish a new local community development committee (LCDC), for planning and oversight of local and community development programmes. This will ensure better alignment of the Local Government and Local Development systems. Galway County Council is a front-runner for the establishment of the LCDC and it is hoped that the first meeting will take place early in the new year. In addition, in 2014, a new Local and Community Plan will be prepared by the LCDC identifying priority areas of activity for the next five years.

Galway County Council Actions arising 2014

Establishment of the Local Enterprise Office(LEO)

Establishment of the Economic Development Strategic Policy Committee

Preparation of the Economic Strategy for the County

Establishment of the Local Community Development Committee(LCDC)

Preparation of a Local and Community Development Plan through the LCDC

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Given the enhanced role of Local Authorities in the Economic Development area, the council also proposes a number of initiatives in 2014, of which the following are a sample:

Roll out of the Gateway Labour Activation Scheme

Continued Support for the Job-Bridge Scheme

The preparation of a feasibility study for the site at Carnmore, following completion of the proposed acquisition jointly with the City Council.

Support for the development of Pearses Cottage

Seek funding from Failte Ireland for the commencement of the Conamara Greenway proposal.

Work with Failte Ireland on advancing the Wild Atlantic Way in Galway.

Advance economic infrastructure proposals in the county including the City Outer Bypass and the M17/M18 PPP proposal.

Continue to harness the potential of the local food and craft sector through the 'Made in Galway' brand.

Review the 'MeetWest' initiative to determine the approach required for 2014.

Progress the new County Development Plan which will set the framework for development for the years ahead.

The designation of a specific staff member to advance applications for funding under relevant E.U. funding programmes.

Assist as required in the roll out by the DCENR of the Next Generation Broadband Scheme.

(4) Delivering Services Efficiently

The Reform proposals envisage the introduction of Service Level Agreements (SLA) between Government Departments and Local Authorities for the delivery of services on an agency basis. It is intended that Service Plans will be approved by Council in respect of each programme which the Council delivers.

There will be a continued emphasis on the achievement of efficiency savings in line with the recommendations of the Local Government Efficiency Review. This will include the development of Shared Services across Local Authorities and a Work Force Planning process to drive staffing and organizational rationalisation. The embargo on recruitment remains in place, except where specific sanction is received to fill a vacancy arising. The Council is losing ten staff under the Voluntary Redundancy Scheme.

Galway County Council Actions arising 2014

The Council is actively pursuing energy efficiency, with the assistance of the Tipperary Energy Agency,

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The Council will continue to comply with revised national public procurement mandatory arrangements and will work with Regional partners to ensure value for money is achieved.

The Council will introduce work practices and process improvements to ensure best value in service delivery.

The Council is co-operating with national initiatives in relation to the role out of sectoral Shared Services initiatives.

The Council has implemented the initiatives arising from the Croke Park and Haddington Road agreements, including the reduction in pay, deferral of increments, longer working hours, reduced annual leave and reduced sick leave entitlements.

The Reform proposals present many opportunities for Local Government, particularly through the enhancement of the leadership role of the Council in the Economic and Community Development arenas. This widening of the scope of local Authority activity is a significant shift in emphasis and will be an exciting challenge. The recognition being afforded to Local Government as the main vehicle of governance and public service at local level is very welcome and reinforces the Councils position as the only democratically elected institution outside of the Oireachtas, charged with responsibility for the delivery of efficient and good value services, and representing citizens and communities, as effectively and accountably as possible.

Uisce Eireann / Irish Water

In addition to the reform proposals in 'Putting People First' the other most significant influence on the preparation of the Budget 2014 is the establishment of the new national Utility, Uisce Eireann / Irish Water, and the proposed transfer of functions from Local Authorities to the new Utility.

The Water Services (No. 2) Bill 2013 is the second legislative milestone for the reform of water services provision giving effect to the commitments in the Programme for Government. Uisce Eireann / Irish Water was established under the Water Services Act 2013, as a subsidiary of Bord Gáis Éireann. The 2013 Act provided Irish Water with certain water services functions relating to the installation of water meters in domestic properties. The Water Services (no. 2) Bill 2013 provides for the transfer of water services functions which are set out in the Water Services Act 2007 from the county and city councils to Irish Water, with the exception of functions relating to domestic waste-water treatment systems and Rural Water Services which will remain with the local authorities.

The Bill sets out the arrangements for the transfer of property of the water services authorities, relevant to and required for the delivery of water services, to Irish Water. It also provides for the transfer of certain water services liabilities to Irish Water. The Bill provides for the making of agreements between Irish Water and each local authority for the delivery of water services. An agreement has been reached between the Department

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of the Environment, Community and Local Government, Irish Water and the local authorities that the first service level agreements will cover a period of 12 years i.e. until 2025. The Bill provides Irish Water with the power to charge customers who are in receipt of water services and Irish Water will be required to prepare a water charges plan in this regard. The Commission for Energy Regulation will be responsible for the approval of water charges plans to be prepared by Irish Water. The Commission will also be responsible for the approval of codes of practice to be prepared by Irish Water relating to standards of customer service, including the resolution of any disputes between Irish Water and its customers.

Currently work is on-going on the finalization of the proposed SLA between the Council and Irish Water, in respect of the services we will provide on Irish Water's behalf. It is imperative that the Council is reimbursed for the direct costs and associated overhead costs associated with the functions to be performed on behalf of Irish Water. The draft budget is prepared on the basis that the provision of water services by the Council, on behalf of Irish Water, is cost neutral to the Council.

It is also imperative, in addition to the transfer of water services assets to Irish Water, that the associated liabilities e.g. loan charges are also transferred. In addition, I believe that the role of the Council as planning authority, must be protected and decisions of Council must inform decisions in relation to the provision of future water services infrastructure to support the implementation of local planning policies.

The Council looks forward to developing a collaborative working arrangement with Irish Water, building on the knowledge and expertise within the Council to ensure the delivery of quality water services for many years to come.

Other changes impacting on the Budget

A number of other items are impacting on the budget 2014.

These include:

- Transfer of the Driver Licensing function to the RSA.
- The winding up of the West Regional Authority, with resultant return of staff seconded to that Authority.
- The establishment of the Local Enterprise Office and associated Service Level Agreement with Enterprise Ireland for the delivery of supports to small business.
- The Local Election process 2014.
- The implementation of Keeping Communities Safe: Fire Service Reform proposal
- The introduction of Local Property Tax payable on Local authority rented housing stock.
- Loss of ten staff under the voluntary severance arrangement.
- Increased working hours for some staff under the Haddington Road agreement.

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2013 Achievements

During 2013, the Council continued to maintain the services in the County having regard to the available resources. The Council has worked to maximise value for money in the delivery of services, while prioritising legal compliance obligations in the context of reduced resources

Savings have been achieved through revised procurement arrangements. A continued focus on energy efficiency is also yielding savings. The Council is co-operating with initiatives at national level to explore the Business Case for Local Authorities sharing services in some areas. This was a key recommendation of the Local Government Efficiency Review. Costs have been reduced in the facilities management area. The council is endeavouring to improve Customer service through greater use of on-line services.

Major progress continues in the improvement of water services infrastructure in the county. Many long-awaited sewerage schemes such as Clifden, Oughterard, Claregalway and Miltown, Kinvara and Athenry are being progressed with a number of projects commenced in 2013. The assistance and co-operation of the Department of the Environment in this regard is greatly appreciated. Significant improvement has also been made in the operation and maintenance of schemes since the completion of the Remedial Action List. Galway County Council is responsible for the operation of 35 Public Water Supplies (PWS) serving a population of 132,270. The published EPA Report indicated that microbiological compliance in Galway County Public Water Schemes was 100% in both 2010 and 2011. Chemical compliance levels increased from 99.0% in 2010 to 99.6% in 2011. This performance is a testament to the endeavours of all staff in the water services area.

The year 2013 saw progress in the Roads area with many schemes being progressed under the pavement and minor improvements scheme. The completion of the local road pavement condition survey provides useful information on the condition of roads throughout the County and will help to inform future work programmes.

Roads funding

While the level of resources available for road maintenance and improvement falls short of that which would be desirable, the Council will continue to adapt in an effort to make the best use of allocations. The table below sets out the position in relation to funding in recent years.

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	Roads Grant Funding €m	Council's own contribution €m
2008	38.90	5.12
2009	35.39	4.09
2010	23.65	3.02
2011	21.80	2.71
2012	20.80	2.60
2013	18.40	2.50
% reduction from 2008 to 2013	53%	51%

The decision of the European Court of Justice in relation to the Galway City Outer Bypass was very disappointing. However, the Council with the assistance of the NRA has recruited consultants to commence work on a new proposal for the scheme which is vital to the future economic and social development of Galway county and city. Progress on the N59 Moycullen bypass is also welcome. A decision from An Bord Pleanala is awaited in relation to proposed upgrade works to the N59 from Oughterard to Maam Cross. It is hoped that early 2014 will see the commencement of the M17/M18.

Progress continues in addressing the issue of flooding throughout the County, in association with the Office of Public Works. In particular the preparation of a planning application for the Dunkellin river has been a key priority and it is intended to submit a proposal to An Bord Pleanala for approval in the coming months.

Community and Enterprise

The year 2013 was particularly busy for the Community and Enterprise Unit. The MeetWest initiative had another successful year and was acknowledged as the best Economic Partnership in the Local Government LAMA awards 2013. Numerous events supporting entrepreneurship were held throughout the County in association with the County and City Enterprise Board. The success of the 'Made in Galway' initiative is evident from the level of participation by local food and craft producers and also from its success in winning the Chambers Ireland 'Excellence in Local Government Award 2013 for services to business.

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The partnership arrangement with the Local Development sector for the appointment of a food development officer is very welcome.

The Year of the Gathering was a great success throughout county Galway, with over 100 events taking place. The communities proved their capacity to respond to this initiative, with support from Galway County Council. Many communities achieved national recognition in the Tidy Towns Awards and also the All- Ireland Pride of Place Awards. Perhaps the most prestigious achievement is that of Inis Oirr - the winner of the most Livable Community in the world in its population category and also the Healthy Lifestyle Award. The efforts of the communities throughout the County are to be commended and supported for ensuring the County is a great place in which to live.

Budget 2014

Galway County Council is conscious of the difficulties being experienced by residents of the County, businesses and communities during this period of economic turmoil and is committed to ensuring the cost effective delivery of services, within the current financial constraints. This has informed the proposals for expenditure contained in the draft budget and the decision not to increase commercial rates at this time.

Galway County Council provides essential services and spends significant resources throughout the County. The 2014 Budget represents a valuable injection of funds to the County.

The draft budget for 2014 envisages expenditure of €122 million which equates to a reduction of 4% on the budget adopted for 2013. This represents a significant further reduction in the resources available to the Council following on from the reductions since 2008. The draft budget reduction is also impacted by the establishment of Irish Water who will be taking over responsibility for the procurement function associated with water services, with the council providing the headcount only into the future. The draft budget is prepared on the basis of a cost neutral delivery of the water services function under the SLA with Irish Water.

TABLE 1: BUDGETARY TREND 2008 – 2013

2008 - Adopted Budget	€160 M
2009 - Adjusted Budget	€146 M
2010 - Adopted Budget (note: €3m of this sum is due to an adjustment in accounting treatment)	€149 M
2011 - Adopted Budget	€144 M

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2012 – Adopted Budget	€136 M
2012 - Adopted Budget adjusted for the Reduction in Local Government Fund	€135M
2013 - Adopted Budget	€127M
2014 – Draft budget	€122M

In line with previous approaches, the budget includes a figure for road grants based on the original 2013 allocation as the 2014 allocation has not yet been received.

Key influences in the preparation of the Draft Budget.

(1) Local Government Fund

The Minister for the Environment, Community and Local Government has not yet informed us what the provisional General-Purpose Grant allocation from the Local Government Fund is for Galway County Council for the year 2014. It is anticipated that the allocation will be adjusted for the funding transferred to Irish Water to fund the SLA. In addition it is also anticipated that the Local Government Fund will include the replacement of the NPPR income which is no longer available to the Council. The draft budget is prepared on the assumption that the allocation of the Local Government Fund, together with the Irish Water allocation will equal the allocation received for 2013 that is €27,400,744. This is supplemented by the pension deduction from Staff of Galway county council which is estimated at €2,125,000, giving a combined figure of €29,525,744. In preparing the draft budget I have estimated that the contribution to Irish Water from the Local Government Fund will be in the order of €17m, and that adjusting for the NPPR and pension levy income the Grant for Galway County Council will amount to €14.4M.

(2) Trends in Local Government Fund allocation is as follows: -

	<i>Allocation</i>	<i>% Reduction</i>
2008	€40.60m	
2009	€36.88m	9%
2010	€36.09m	2%
2011	€32.84m	9%
2012	€30.45m	7%

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2012(revised)	€29.67m	3%
2013(LGF plus pension deduction)	€29.47m	3%
2014 (to include Irish Water and NPPR)	€29.52	0%

Expenditure proposals

The following tables set out the expenditure and income breakdown proposed for 2014:

Expenditure by Programme Group	2013 Budget	2013 Estimated Outturn	2014 Draft Budget
		€	€
Housing and Building	11,041,804	10,410,073	11,022,540
Road Transportation & Safety	35,296,671	35,515,759	33,613,908
Water Services	25,806,028	25,892,889	27,241,980
Development Management	7,202,261	7,019,822	7,065,184
Environmental Services	17,142,539	16,985,847	16,878,683
Recreation & Amenity	8,013,997	7,981,244	7,996,675
Agriculture, Education Health & Welfare	11,871,773	9,821,342	8,395,796
Miscellaneous Services	10,241,600	10,066,366	9,862,347
Total	126,616,673	123,693,342	122,077,113

In the Draft Budget, the estimated Revenue Income anticipated is as follows: -

Estimated Revenue Income	2013		2014	
	€	%	€	%
Local Government Fund	27,400,744	22	12,251,819	10
Pension Related Deduction	2,075,000	1.5	2,125,000	2
NPPR	2,150,000	1.5	145,000	0
State Grants & Subsidies	43,026,874	34	37,307,005	31

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Non-Domestic Water Charges	3,230,000	3	23,620,428	19
Local Determined Income	31,396,813	25	30,841,840	25
Other Income	17,337,240	13	15,786,021	13
	126,616,673	100	122,077,113	100

Expenditure Adjustments

I attach hereunder a table setting out the principal variances between the Budget for 2013 and 2014.

Service	Service Description	2014	2013	Change
		€	€	€
B03 & B04	Regional & Local Roads	26,601,168	28,080,602	(1,479,434)
Division C	Water Services	27,241,980	25,806,028	1,435,952
D02	Development Management	2,131,479	2,562,640	(431,161)
G05	Educational Support Services	5,438,840	9,346,807	(3,907,967)
	Subtotal of above	61,413,467	65,796,077	(4,382,610)
	Total Expenditure	122,077,113	126,616,673	(4,539,560)

Many of the costs incurred by the Council are non-discretionary costs in that they must be spent on particular services, for example, loan charges, statutory demands, pensions, materials etc. The scope for reduction in costs and expenditure is therefore limited to discretionary items.

Unfortunately, due to the limited funds available, I have been unable to make provision in the draft budget for any contingencies which might arise in 2014, for example costs arising from severe weather events or other unexpected incidents.

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The reduction in service's B03 and B04 Regional and Local roads arises largely due to no allocation for specific road grants anticipated in 2014 together with a reduction in the Councils contribution to local roads. The increase in division C arises largely due to increased operating costs of plants that have been upgraded under the remedial action programme, however this increased cost is expected to be funded by Irish Water under the SLA agreement. The reduction in service D02 Development Management arises largely due to staff retirements who have not been replaced in addition to a reallocation of staff resources to other services.

The reduction in service G05, Educational support services, is as a result of student grants having moved to a new central processing agency SUSI and what we are in effect providing for are those students who commenced studies prior to 2012 completing their studies. It is anticipated that by 2016 Galway County Council will no longer have an involvement in the processing of Higher education grants. This expenditure is 100% recoupable from the Department of Education.

Galway County Council has a strong tradition of supporting the various voluntary and community activities throughout the County across the range of services e.g. Golden Mile and other heritage activities, festivals and arts activities, economic and tourism activities. This area of expenditure supports significant voluntary efforts in communities throughout the County I acknowledge the support of the elected members in this regard. The draft budget includes provision to continue to support Community activity through the work of the staff of the Community, Enterprise and Economic Development section and Heritage section and by the retention of grants largely at the level agreed in the adopted budget for 2013. I have in addition provided funding for the new proposed LEO and the program of works to be undertaken by the new local community development committee (LCDC).

Capital Investment in Infrastructure

Amongst the main priorities identified in the Capital Programme for 2013-2015 are:

Progressing the Gort to Tuam PPP with a view to the project going ahead within the next few years. Work has commenced on the preparation of a revised planning application for the Galway City Outer Bypass (N6). It is also intended to progress some relatively low cost targeted improvements on the National Secondary network where safety is an issue and in tourist areas, in particular the N59.

The Council will provide support through our capital office to Irish Water in respect of water services investment.

There will be continuing investment in flood defence and mitigation, with support from the OPW, in particular the progression of the Dunkellin Scheme.

The Council will continue to work with Failte Ireland on the development of the tourism product including the Oughterard to Clifden Greenway and the Wild Atlantic Way Orientation plan.

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The Council will advance the Ballinasloe library project and welcomes the recent allocation of € 200,000 from the Department of the Environment for the project.

The Council will continue to progress energy efficiency of the social housing stock, limited local authority housing output and the increased use of Voluntary housing agencies.

Conclusion

She stated that the preparation of the Draft Annual Budget for 2014 has been challenging, in the context of changing responsibilities and the establishment of Irish Water. She stated that the proposed Draft Budget would allow Galway County Council to deliver the optimum level of core services in 2014, having regard to available resources. However, there is no provision for contingencies included. The proposed gross expenditure of €122M together with the capital programme spend estimated at €40m, represents a very considerable investment of monies in the development of the County and the delivery of services throughout the County.

She wished to thank the elected members for their co-operation and support during 2013. She expressed her appreciation to the Mayor, Cllr. Liam Carroll, and the former Mayor Cllr. Tom Welby for their commitment to the special responsibilities of the office of Mayor and their courtesy and co-operation in doing the business of the Council. She acknowledged the assistance of the Corporate Policy Group in the discussion on the draft budget.

She thanked the staff of the Council for their dedication and flexibility during 2013. She stated that they proven themselves to be committed public servants who are anxious to maintain service provision at the highest level possible.

She thanked the Council's Directors of Service and their staff for their rigorous examination of budget items for 2014 to identify areas for efficiency improvement and cost saving. In particular, she acknowledged the work of Mr. Ger Mullarkey, Mr. Michael McGovern, Ms. Bernadette O'Connor, Ms. Caitriona Lusby and the staff in the Finance Unit. She stated that the preparation of the Draft Budget this year has been onerous and thanked all involved in delivering the draft budget.

She stated that the year 2014 will undoubtedly bring new challenges for Galway County Council, with the implementation of the major new reform proposals, but was confident that with support of the Members, Management team, and colleagues the Council will provide valuable services in 2014 to meet the critical needs of the citizens and adapt flexibly to the changes required.

She then recommended the Draft Budget to the elected members for adoption.

The Manager then requested Jim Cullen, DOS to present a report on Irish Water. He presented the following report to the meeting.

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The Water Services (No. 2) Bill 2013 is being progressed at present through the Houses of the Oireachtas. This is the second part of the legislation to implement the reform of water services in Ireland, including the introduction of domestic water charges. The Water Services (No. 2) Bill 2013 provides for the transfer of water services function which is currently the responsibility of the 34 water services authorities to Irish Water. Generally the proposed legislation provides for the following matters:

- The transfer of water services assets and liabilities to Irish Water from the Water Services Authorities;
- The delivery of services by the water services authorities on behalf of Irish Water through service level agreements;
- The retention of powers by water services authorities for rural water functions as set out in Part 6 of the Water Services Act 2007 and for functions relating to domestic waste water treatment inspections as set out in Part 4A of the 2007 Act;
- Provisions prohibiting the sale of any part of Irish Water by Bord Gáis Éireann and the sale of water services infrastructure;
- The preparation of water services strategic plans and capital investment plans by Irish Water;
- The provision that Irish Water will charge all customers in receipt of public water services and that it will have the power to restrict a domestic supply in the case of non-payment.
- A prohibition on the disconnection of domestic customers due to non-payment of charges;
- The corporate governance provisions that will apply to Irish Water including the appointment of staff and directors to the company, grants by the Minister and reporting arrangements between the Irish Water and the Minister;
- Staffing and pension arrangements for staff of Irish Water;
- The designation of the Commission for Energy Regulation as the economic regulator for water services delivered by Irish Water.
- Provision for the Environmental Protection agency to be the environmental regulator for Irish Water;
- Provision for the National Rural Water Services Committee, established under Part 6 of the Water Services Act 2007, to be responsible for the approval of rural water strategic plans;
- Irish Water is to be provided with powers to take over private schemes in particular circumstances, including where there is a threat to human health arising from the failure of the private schemes to comply with environmental standards; and
- Various amendments consequential to the transfer of functions from the water services authorities to Irish Water;

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Service Level Agreements:

Of immediate importance is the provision in the legislation relating to the delivery of water services by water services authorities on behalf of Irish Water through Service Level Agreements (SLA). The SLA will define the general obligations on Irish Water and the Council and set out the respective roles and responsibilities of both parties under the headings of Values and Governance, Technical, Customer Services, Support Service, Communication, Administration and Finance.

It has always been an objective to achieve a seamless transition to Irish Water and, as far as possible, have business as usual from 1st January, 2014. The Service Level Agreement acknowledges that there will be a need for transition whereby Irish Water systems, procedures, and protocols are embedded and Local Authorities migrate away from our existing systems towards the new.

The provisions of the main SLA are generic and apply across all Local Authorities. It is supported by an Annual Service Plan (ASP) which is unique to each Council. The ASP sets objectives and targets for the coming year which will be measured against a baseline for current performance established in the first ASP.

The annual budget forms part of the ASP. The operational budget for 2014 has been set by Irish Water. The two main components of the budget are payroll, based on an identified headcount, and non payroll costs. Irish Water will recoup costs within the approved budget to the Council on a monthly basis. Any costs incurred outside of the budget provision must either be approved in advance or subject to a retrospective variance cost approval process.

The provisions of the SLA and ASP will place a considerable additional burden on the Council if it is to comply fully with the new reporting requirements. For example, there are additional reporting demands in the area of incident and environmental management, reporting to EPA, health and safety management and of course budgetary reporting and recoupment arrangements. This is in addition to the incorporation of new work processes and the use of new IT systems. Capital project management too will rely on a new set of IT systems and protocols.

The Service Level Agreement (SLA) will form the basis of the relationship and interaction between Uisce Éireann (Irish Water) and Galway County Council in to the future. It is the expectation that both Irish water and the Council will work collaboratively in discharging the water services functions. Both parties acknowledge that value for money and continuous quality improvement must be ensured to meet customer service expectations and comply with standards and requirements set by regulatory bodies such as EPA and, now, Commission for Energy Regulation (CER).

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It will be the intention of the council to continue to provide water services in the best interests of the public – albeit now that the council will be doing so on behalf of Irish Water under a Service Level Agreement.

The Co Manager then advised that the Council did not receive details of the actual Local Government Fund allocation of €12.5 million until the 12th of December and this is €202,000 less than what was anticipated even when the proposed funding from Irish Water was taken into account and consequently amendments were required to the draft Budget for 2014 as a result. The draft Budget was based on a Local Government Fund allocation comparable to the previous year. She stated that €400,000 of this referred to Ballinasloe Town Council leaving €12.1 million for the County Council. She requested Ger Mullarkey, Head of Finance to outline the adjustments to be made to the Draft 2014 Budget as a result of the actual LG Fund allocation and how the the establishment of Irish Water has affected the allocation and the recoupmnt of expenditure.

The Mayor Cllr. Liam Carroll then proceeded to initiate the debate on the Draft Budget.

There were opinions and concerns expressed, questions asked and clarifications sought by the elected members on the following:

The proposal not to increase the commercial rate for 2014 was broadly welcomed and it was noted that the Council had limited rate increases to just 1% since 2008. Opinion was expressed that relief from rates liability should be provided for businesses that are in financial difficulties as a result of the economic recession and where the owners are not receiving a living wage- it was suggested that more should be done to incentivise people to rent units for startup businesses.

Concern was expressed at the considerable reduction in the Council's Budget from €160 million in 2008 to €122 million in 2014 and the reduction of 33% in the level of the Local Government Fund allocation from €40 million in 2008 to €29 million in 2014. It was noted that the Budget was €5 million less than 2013.

Opinion was expressed that the Council should undertake an in- depth cost analysis of programmes such as Development Management and Housing to ascertain how efficiently they are operating. It was suggested that the budget of €7 million for Development Management and €11 million for Housing could be reduced as a result of cost analysis in line with the reduction of planning applications to 1,300 in 2013 and the phasing out of the local authority house building programme.

Concern was expressed in regard to the transfer of the Council's legal responsibility for water services to Irish Water which is a subsidiary of Bord Gais. It was noted that the Government recently approved the sale of Bord Gais to Centrica which is a private utility company located in the UK. It had recently announced major price increases for its gas customers in the UK and concern was expressed that Irish Water would be sold off to a

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private utility company in the future. Opinion was expressed that the price of water would be determined by a private UK company in the future whose only concern was profit and it was an affront to local democracy to have this power removed from local councillors. Opinion was expressed that the elected members had passed a motion that the ownership of Irish Water should not pass to the private sector. It was noted that the privatisation of Irish Water would have to be legislated for and the previous privatisation of Bord Telecom was a stark lesson. Opinion was expressed that local waterworks caretakers employed by the Council provided a reliable around- the- clock service in the past and that there could be a problem with Irish Water as regards the provision of a local service. Concern was expressed by the continual centralisation of services by the state which included not only water services but higher education grants, driver licences and local improvement schemes. The Council had an excellent record in providing these services in the past but it appears that local government services are being phased out and everything will be administered from Dublin.

Opinion was expressed that the Local Property Tax was a “con job” which the public were advised that the proceeds would be used to fund the provision of local services but instead much of it would be used by central Government. The public are required to pay motor tax and the LPT and would expect that potholes would be repaired but do not realise that only part of the proceeds are allocated for the provision of local services. Concern was expressed that due to the limited funding available the Council was unable to provide for emergency contingencies in 2014 such as the impact of severe weather and unexpected events.

Concern was expressed at the considerable reduction in the Roads Programme and the resulting knock on effect on the quality of the road network-the tertiary roads are rapidly disintegrating due to lack of maintenance and lack of funding for the proper repair of potholes on local and regional roads will lead to a network comparable to third world standards. It was noted that there was a decline in road grant funding of 53% from €39 million in 2008 to €18 million in 2013. Opinion was expressed that hedges were overgrown along most of the road network. Clarification was sought regarding whether construction of the N17/N18 Gort to Tuam PPP would commence in 2014 and whether it was proposed to have a toll on this road. The commencement of this project is vital to the local economy. Opinion was expressed that the community involvement in roadworks schemes administered by the Council in the past was very cost effective and it was suggested that the Council write to the Department requesting the re-introduction of the LIS scheme. It was noted that since the revised arrangements for the administration of the scheme was introduced there had been a marked decline in the number of schemes sanctioned- only 15 schemes were processed in 2013. A proposal was made that the Council should allocate 5% of the Discretionary Maintenance Grant to LIS schemes. Concern was expressed at the proposed reduction in the street cleaning budget and that this should be reversed. It was noted that there is a major problem with illegal dumping. Opinion was expressed that the tender process for road making materials and plant and machinery had become very competitive for businesses which are experiencing considerable reductions in income due

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to the economic recession. Clarification was sought in regard to whether the Council can recoup the €8 million deficit remaining on the Inis Mór Harbour project from the Department of the Arts, Heritage & the Gaeltacht. Progress on the the N84 at Luimnagh, the N59 Moycullen By-pass and N59 Clifden-Oughterard road was welcomed. Concern was expressed that 2013 was a setback in regard to Road Safety statistics. Clarification was sought as to whether the expenditure on G0101 Maintenance of Drainage would be recouped from the OPW. The progress achieved in regard to the flood relief measures undertaken by the OPW in conjunction with the Council was welcomed.

Opinion was expressed that the Council should provide a fund to remediate unfinished housing estates. Concern was expressed that there were currently approx 3,000 families on the housing waiting list and that only 3 rural houses were completed in 2013-there will be a major increase in the demand for social housing in the future. Concern was expressed at the proposed cutback of €50,000 in the Housing maintenance budget and the level of grants. Clarification was sought as to whether the Council could implement a program to upgrade unoccupied houses and it was noted that the Council housing stock had reduced. Opinion was expressed that the time limit for inclusion on the Rental Accomodation scheme should be reduced from 18 months to 12 months. Concern was expressed at the proposed reduction in the Mobility Aid Grant. Clarification was sought in regard to the recruitment of an official to deal with issue of traveller accomodation (A0103). Clarification was sought as to whether A0402 Tenancy Management was a payroll cost. Clarification was sought as to whether persons on long term social welfare were entitled to make an application under the RAS scheme. Clarification was sought as to whether the Council sent correspondence to the Department in regard to the requirement for a new Fire Station in South Conamara.

Clarification was sought as to whether the projected cost overrun on G0405 Animal Welfare Service including abandoned horses can be recouped from the Department of Agriculture. Concern was expressed at the significant increase in the level of abandoned animals and it was noted that the Council was involved in the implementation of a tender process with several other counties which would be cost effective. Opinion was expressed that the Council should examine the level of funding for Burial Ground provision and maintenance and the provision of grants to local Burial Ground committees represented good value for money. It was suggested that the Council be more pro-active in rewarding local effort in regard to this. Clarification was sought as to whether the funding for E0901 Maintenance of Burial Grounds included the grants paid to local committees or was there a separate budget for this. Concern was expressed at the level of funding for the provision of extensions to burial grounds. Clarification was sought in regard to the time frame for the Loughrea RWSS to be extended to Kilrickle. Clarification was sought in regard to the provision of a sewerage scheme for Kinvara –it was noted that the footpaths at Kinvara are in a terrible condition and cannot be remediated until the sewerage scheme is completed. Opinion was expressed that Eyrecourt was waiting 30 years for a sewerage scheme. Progress in regard to the Clifden Sewerage scheme was welcomed.

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Clarification of the funding of €250,000 for the Local Enterprise Office D0906 was sought. The indication that the Council would be more directly involved in economic development was welcomed as well as the tourism promotion initiatives such as the Wild Atlantic Way and the Oughterard-Clifden Greenway Project. Clarification was sought in regard to the estimated underspend on D0501 Tourism Promotion in 2013. Opinion was expressed that the County and City Councils should have been amalgamated in order to achieve efficiency of service delivery. Opinion was expressed as to whether the proposed increase in the number of councillors to 39 would be as effective as the existing 30 member Council and concern was expressed at the proposed cost of over €200,000 required for the re-design of the Council Chamber. Clarification was sought as to whether the €50,000 deducted from the Library Fund in 2013 in regard to a provision for Galway Airport would be restored.

Responses to the issues raised were as follows:

The Manager noted the proposal made regarding the need for an in -depth analysis on expenditure items appertaining to programs such as Development Management and Housing to ensure efficiency and cost effectiveness and gave an assurance that every expenditure element has been subject to specific analysis in order to achieve value for money. Despite the significant decrease in the budget since 2008 the Council has endeavoured to achieve significant improvements in the delivery of services on a cost effective basis. In regard to the concerns raised regarding the future privitisation of Irish Water she advised that this was beyond the control of the Council and that the current position as regards the transfer of the water function to Irish Water was covered by Jim Cullen, DOS in his report. In regard to the clarification sought on the proposed commencement of the N17/N18 Gort-Tuam PPP she advised that according to the information available the contract should commence in 2014 and her understanding was that this road would not be tolled. In regard to the proposal to allocate 5% of the Discretionary Maintenance Grant to an LIS scheme to be administered by the Council, she advised that this was more applicable to the adoption of the Roads Programme and the Council should await the details of the roads grants for 2014. In regard to the requirement for a new fire station in Conamara she advised that the Council is required to implement the requirements of " Keeping Communities Safe " and undertake the detailed analysis required. She stated that consideration of the Fire Service is a reserved function which will come before the Council in 2014. The additional requirements for the fire service in the future would also have to be discussed by the SPC. In regard to the deficit on the Kilronan Harbour project she advised that the Council expected to recoup €300,000 this year and that consultations will continue with the Department of the Arts, Heritage and the Gaeltacht in 2014. In regard to the funding of €250,000 for the Local Enterprise Office she advised that this was a provisional estimate and the Council is awaiting details in regard to its commencement. In regard to the query on A0402 Tenancy Management she advised that recruitment of an anti-social behaviour officer was anticipated. In regard to projected underspend on D0501 Tourism Promotion she advised that this was due to funding from

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Bord Failte for the Conamara Greenway not being received in 2013. In regard to the query concerning the removal of €50,000 from the Library Book Fund to provide a fund for a Park and Ride facility operating from Galway Airport in 2013 she advised that this had been restored to the Library Service.

Mr. Mullarkey , Head of Finance, advised that the cost overrun on G0405 Animal Welfare service would be recouped from the Department of Agriculture. In regard to the query on G0101 Land Drainage he advised that €750,000 was the best estimate adopted by the Council but it was anticipated that the actual outturn would be in the region of €526,000 and this was recoupable from the OPW. In regard to the queries on the funding for A0103 Traveller Accomodation Management and A0402 Tenancy Management he advised that the bulk of those costs were payroll.

Mr. Cullen acknowledged the appreciation expressed regarding the service provided by the waterworks caretakers in the past and their availability to deal with emergencies and expressed hope that this would continue under the remit of Irish Water if Council staff still have a role. In regard to the proposed extension of the Loughrea RWSS to Kilrickle he advised that the Council had made a submission to the Department and to Irish Water on the matter. In regard to the provision of a sewerage scheme for Kinvara he advised that the documents were with Bord Pleanala. In regard to the query on E0901 Burial Ground Maintenance he advised that the provision of €344,680 consisted of €100,000 for grants for burial ground committees , €20,000 was provided for burial ground extensions and the balance was for payments to burial ground caretakers. He acknowledged that the grants paid to burial ground committees represented excellent value for money. The Council was constrained by the limited funding available in regard to the maintenance and provision of burial grounds.

Mr. Cummins explained that the Council was involved in the implementation of a tender process along with 8 other local authorities in regard to the Animal Welfare Service G0405 (abandoned animals) and it was anticipated that the contract would be awarded in the near future. He confirmed that the expenditure was recoupable from the Department of Agriculture. In regard to the concern expressed regarding the upgrading of unoccupied council houses –he confirmed that approx 5% of the stock would be unoccupied on a current basis and in his opinion the Council would not be able to rent a certain amount of these even if they were remediated. In regard to the query on whether persons on long term social welfare are entitled to make an application under the RAS scheme –he confirmed that their housing need can be met either through the RAS scheme or from the Council's own housing stock. In regard to the queries on the funding provided for A0103 Traveller Accomodation Management he advised that 90% of the salaries of the social workers was recouped from the Department.

Mr. Kelly addressed the query concerning the requirement for an in-depth analysis of the Development Management Budget of €7 million in light of the fact that the number of planning applications had declined. He explained that Development Management covered

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a wide variety of responsibilities some of which were statutory- these included not only the planning function but community and enterprise, economic development, social inclusion, heritage and conservation, registration of quarries, unfinished housing estates, the taking in charge function, review of the county development plan, strategic environmental assessments and the publication of local area plans for all towns in excess of 1,500 population. He confirmed that the staff levels in the planning department had reduced by 50% during the past few years and that each specific item on the budget was subject to specific analysis.

Cllr. McClearn stated that a budget of €122 million represented a lot of economic activity for the county. He advised that while there was no increase in the commercial rate there was a requirement for more flexibility in the rating system which required legislation by the government. He stated that the technical group did not agree with the proposals submitted by the Head of Finance in regard to the required adjustments to fund the €202,000 deficit. He advised that the election of 9 extra councillors in 2014 would involve additional expenditure of €97,650 by the Council.

PROPOSAL TO AMEND DRAFT BUDGET

1652

It was proposed by Cllr. Noone, seconded by Cllr. Hoade to amend the draft budget for 2014 as follows:

1. To reduce the provision for local representation/civic leadership in Service H0904 Expenses LA Members by €2,350 and increase the provision for Community Sport and Recreational Development in Service F0401 Community Grants.
2. If he is returned following the 2014 Local Elections to further reduce the provision for local representation/civic leadership in service H0904 Expenses LA Members by a further €1,808 and increase the provision for Community Sport and Recreational Development in Service F0401 Community Grants.

The total impact of same will be to transfer €4,158 from the Councillor's Conference allocation, in two tranches, to the provision of Community Grants in order to facilitate the Council providing a grant to Claregalway burial ground and the Abbey Restoration Committee, subject to the normal requirements pertaining to community grants.

The motion was agreed.

SUSPENSION OF STANDING ORDERS

1653

On the proposal of Cllr. Cuddy, seconded by Cllr. D. Connolly, it was agreed to suspend the Standing Orders to allow the Meeting to continue after 6pm.

It was proposed by Cllr McClearn, seconded by Cllr McDonagh and agreed to amend the draft budget for 2014 as follows:

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That in relation to notice of motion allocations that on 01 January a sum of €1,500 per councillor be allocated to the schools flashing light s programme, that 50% of the balance i.e. €8,500 is to be allocated before the end of June 2014 and the balance to be divided equally amongst the incoming 39 councillors.

That in relation to conference allocations of €4,700 per Councillor that 50% is to be spent before the 30th June with the balance to be divided equally amongst the incoming 39 councillors.

That in order to achieve a balanced budget that the following adjustments be made:

A reduction in expenditure in Sub Service A0101	50,000
A reduction in expenditure in Sub Service A0902	25,000
A reduction in expenditure in Sub Service D0101	25,000
A reduction in expenditure in Sub Service G0101	25,000
A reduction in expenditure in Sub Service E1101	30,000
A reduction in expenditure in Sub Service E1301	12,419
An increase in income in Sub Service H1101	35,479
An increase in income in Sub Service E1101	6,705
An increase in expenditure in Sub Service E1101	30,000
An increase in expenditure in Sub Service F0401	10,000

An adjustment of 500 to the net effective valuation, relating to the valuation of water services infrastructure, to deliver an additional income of €33,295 with €30,000 of the additional income to be allocated to facilitate the Council in advancing the selection of a suitable site or a suitable existing building to accommodate a retained fire station in An Cheathrú Rua/Casla area and with the balance of €3,295 to be allocated to Galway Mountain Rescue together with a further €6,705 to be generated from greater efficiencies in the operation of the Fire Service.

This is a total net adjustment of €202,898.

Arising from discussions with Irish Water the following necessary amendments to draft budget proposals were also agreed:

A reduction in expenditure in C0101 of	124,695
A reduction in income in C0101 of	124,695
An increase in expenditure in C0601of	124,695
An increase in income in C0601 of	124,695
A reduction in expenditure in C0199 of	113,734
A reduction in expenditure in C0299 of	5,000
A reduction in expenditure in C0301 of	28,531

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A reduction in income in C0101 of	113,734
A reduction in income in C0201 of	5,000
A reduction in income in C0301 of	28,531
A reduction in expenditure in C0199 of	12,806
A reduction in expenditure in C0299 of	14,954
A reduction in income in C0101 of	12,806
A reduction in income in C0299 of	14,954
An increase in expenditure in E0701 of	17,018
An increase in expenditure in G0401 of	10,742

ADOPTION OF BUDGET 2014 **1654**

It was proposed by Cllr. McClearn, seconded by Cllr. McDonagh and agreed that Galway County Council adopt the draft budget as amended for the financial year 2014.

DETERMINATION OF THE ANNUAL RATE OF VALUATION OF 2014 **1655**

It was proposed by Cllr McClearn, seconded by Cllr Maher and agreed

“That Galway County Council hereby determine in accordance with the Budget adopted, of the rate on valuation to be levied for the financial year ending 31st of December 2014”.

ESTIMATED EXPENDITURE AND INCOME OUTTURN FOR 2014 **1656**

It was proposed by Cllr McClearn, seconded by Cllr McDonagh and agreed

“To pass a resolution to approve the estimated outturns for 2013.

REPORT ON THE THREE YEAR CAPITAL PROGRAMME **1657**

It was unanimously agreed to note the Report on the Three Year Capital Programme.

PROGRESS REPORT ON THE CORPORATE PLAN 2010-2014 **1658**

It was unanimously agreed to note the Progress Report on the Corporate Plan 2010-2014.

The elected members of the Conamara Area expressed their appreciation for the support of their colleagues in regard to the provision of €30,000 for a feasibility study for a Fire Station in South Conamara.

Cllr. Cuddy expressed his appreciation to the Members for the allocation of funding to support Galway Mountain Rescue.

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The County Manager, in response to concerns expressed by Cllr. M. Connolly in relation to any proposals for the reconfiguration of the Fire Service, confirmed that the adoption of the Fire Service Plan and any amendment thereof was a reserved function.

It was proposed by Cllr. Feeney, seconded by Cllr. McDonagh and agreed to recommend consideration of an earlier closing date for applications for community grants, to allow for a later allocation of any initial grant funding not drawn down.

The Mayor expressed his gratitude to the Co Manager and the staff for the preparation of the 2014 Budget and wished the elected members and staff a Happy Christmas and a bright New Year.

The County Manager thanked the Mayor and the Elected Members for adopting the Budget for 2014. She noted that this was the last budget adopted by the current Council and advised that a lot of progress was achieved through the cooperation of the elected members and staff.

The Mayor, the Manager and the elected members congratulated Eugene Cummins, DOS on his appointment as County Manager in Monaghan and paid tribute to him in regard to his role with Galway County Council. Mr. Cummins acknowledged the contributions of the Mayor, Manager and Members and thanked them for their valuable support during his time with Galway County Council.

Chriochnaigh an Cruinniú ansin
