

# HEAD OF FINANCE

## TO: THE CATHAOIRLEACH AND EACH MEMBER OF THE COUNCIL

### Budget Format and Layout

The 2010 Draft Budget is presented in the costing format in accordance with the statutory reporting format required from 2009 onwards.

### Overall Summary

The 2010 Budget for expenditure is €58.7m, a reduction of €4.5m on the total Budget for 2009. This is mainly attributable to the 2009 Road Grants being approx €5.5m less than predicted. The actual 2009 allocations for Roads have been incorporated in the 2010 budget but these will change again in the New Year when the allocations are announced. The most significant increase in expenditure is in the Water Services Division of €1.2m. Although Housing appears to have increased, overall compared with the associated Income there is a reduction on the 2009 figure while providing for an increase in Housing Maintenance and absorbing some salaries that previously would have been funded from Capital works. All other areas of expenditure are scaled back to the basic operational costs within each division. Planning Fees Income has been reduced by €130,000 and Fire charges Income by €300,000. The Local Government fund is expected to be €1.2m less than what was provided for in the 2009 Budget. All of these reduced Income areas has put a strain on bringing the budgeted expenditure within the funds available for 2010.

In preparing the Budget for 2009, we were required to implement a 3% reduction in payroll costs on the basis of flexibility in the deployment of measures at local level, including control of numbers. This is being achieved. With a total Payroll bill of approximately €26m at the end of 2008, currently comparing the November totals year on year we have achieved almost €1.3m savings being 5%.

#### Local Authority Budget for the Financial Year Ending 31st December 2010

Table of Expenditure & Income for 2009 and 2010

Division	Budgeted Expenditure 2010	Budgeted Expenditure 2009	Budgeted Income 2010	Budgeted Income 2009
Housing and Building	€6,752,943	€6,024,790	€6,378,428	€5,376,310
Road Transport and Safety	€15,850,865	€21,339,990	€12,787,935	€18,099,130
Water Services	€12,506,023	€11,295,650	€5,680,012	€5,579,750
Development Management	€4,699,473	€5,243,850	€1,190,103	€1,364,390
Environmental Services	€6,317,210	€6,679,480	€922,607	€1,375,990
Recreation & Amenity	€3,240,378	€3,775,510	€310,233	€476,730
Agriculture, Education, Health & Welfare	€5,723,978	€5,122,950	€5,105,230	€4,573,980
Miscellaneous Services	€3,597,367	€3,797,900	€970,550	€365,740
<b>Total</b>	<b>€58,688,237</b>	<b>€63,280,120</b>	<b>€33,345,098</b>	<b>€37,212,020</b>

## Income

Local Authority Budget for the Financial Year Ending 31st December 2010

Sources of Income

Division	Budget 2010	Budget 2009
Rates	€4,625,600	€4,625,600
Local Government Fund	€16,356,043	€17,563,001
Specific State Grants	€17,338,226	€21,442,273
Local Authorities	€4,361,495	€3,879,495
Goods & Services	€16,006,872	€15,769,744
<b>Total</b>	<b>€58,688,236</b>	<b>€63,280,113</b>

An analysis of Income from Goods and Services is given in Table D of the Budget and an analysis of Income from Grants and Subsidies is in Table E of the budget along with a further analysis of Income per Division in Table F for each Division.

The annual rate is determined by the Council, as an integral part of the statutory budget process, and applied to the valuations of rateable holdings, such valuations being determined by the independent process, administered by the Commissioner for Valuation. The total County valuation on which rates will be levied for 2010 remains the same as for 2009 being 70,000. The provision for irrecoverable rates for 2010 has been increased by €300,000 to absorb those valuations for properties that have ceased trading.

As outlined in the Managers Report, the proposed Annual Rate on Valuation for 2010 remains the same as that adopted for 2009 being €66.08 as per Table A and C of the Budget Tables.

## Current Financial Position

The draft 2008 AFS was brought before the Members in July 2009 and at the end of 2008 the accumulated deficit on the Revenue Account of the Council was over €3M. This Deficit is expected to increase again in 2009 due to the reduction in Local Government fund of €565,210 notified in June this year along with reduced Income collections particularly in Planning, Fire Charges and irrecoverable Rates. We also have had a significant number of retirements in 2009 that will incur over-expenditure.

## Audit Committee

Under Circular FIN11/07 the Council is required to establish an audit committee. Regulations have been made by the Minister in relation to the membership of audit committees, the holding of meetings, reporting, performance of the audit committee, etc. The Audit Committee has an independent role in advising the Council on financial reporting processes, internal control, risk management and audit matters, as part of the systematic review of the control environment and governance procedures of the Council.



**Marie Leydon**  
**Head of Finance**  
**10th December 2009**