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**MIONTUAIRISCÍ AN CRUINIÚ DE COMHAIRLE CONTAE CHIARRAÍ
A THIONÓLADH AR-LÍNE/FÍORÚIL AGUS I MEÁNSCOIL NA mBRÁITHRE
CRÍOSTAÍ, AN FHAICHE TRÁ LÍ, CLUAIN BEG, TRÁ LÍ, AR AN LUAN, 26 IÚIL
2021**

**MINUTES OF THE MEETING OF KERRY COUNTY COUNCIL HELD ONLINE AND
IN THE SPORTS HALL, CHRISTIAN BROTHERS SECONDARY SCHOOL, THE
GREEN TRALEE, CLOON BEG, TRALEE ON MONDAY, 26 JULY 2021**

PRESENT/I LÁTHAIR

Councillors/Comhairleoirí

Tom Barry	Robert Beasley	Michael Cahill
Patrick Connor-Scarteen	Brendan Cronin	Charlie Farrelly
Deirdre Ferris	Jim Finucane	Breandán Fitzgerald
Fionnán Fitzgerald	Seamus Fitzgerald	John Francis Flynn
Cathal Foley	Michael Foley	Donal Grady
Jackie Healy-Rae	Johnny Healy-Rae	Maura Healy-Rae
Niall Kelleher	Michael Kennelly	Sam Locke
Dan McCarthy	Jimmy Moloney	Marie Moloney
Norma Moriarty	Terry O'Brien	Niall O'Callaghan
Bobby O'Connell	John O'Donoghue	Michael O'Shea
Mikey Sheehy	Aoife Thornton	Johnnie Wall

IN ATTENDANCE/I LÁTHAIR

Ms. M. Murrell, Chief Executive	Mr. C. O'Sullivan, Dir. Rds, Trspn & Marine
Mr. J. Breen, Director Water Services	Ms. A. McAllen, Head of Finance
Mr. C. O'Connor, Director Corp. Servs.	Mr. P. Corkery, Meetings Administrator
Mr. O. O'Shea, Press Officer	Ms. D. Griffin, SO Corporate
Ms. O. O'Shea, CO Corporate	Ms. C. Roberts, Fin. Accountant
Ms. K. Moriarty, A/SEO Finance	Mr. T. Hayes, Local Enterprise Officer
Mr. L. Quinlan, SEO Human Resources	Ms. K. Lynch, SEO Housing
Mr. F. Hartnett, A/SE Housing	Ms. S. Sheridan, SSO Finance
Mr. J. McCarthy, AO Finance	Mr. P. O'Connor, AO Finance
Mr. R. Tangney, SO Finance	Ms. L. Breen, SO Finance
Ms. R. Kelly, CO Finance	

The meeting commenced at 2.00 p.m.

Cllr. Jimmy Moloney, Cathaoirleach, took the Chair.

Protocols/Induction

Mr. P. Corkery, Meeting Administrator, referred Elected Members to the Protocols for Remote Meetings and Protocols for Physical Meetings of Kerry County Council.

In relation to attendees attending remotely he highlighted that attendees are to have their speakers muted until the Cathaoirleach invites them to speak, to use the 'raise hand' function to indicate that they wish to speak. As per Standing Orders recording/photographing the meeting is prohibited. If the Cathaoirleach indicates an Elected Member is to speak they are to turn on their camera. He welcomed members of the press to today's meeting.

In relation to the physical meeting Mr. Corkery outlined that a time limit of 1 hour and 55 minutes will apply. Public health guidance must be strictly followed by attendees during the physical meeting including; mask wearing throughout the meeting, strict social distancing, hand sanitising and non-congregation of persons.

26.07.2021.01 Council's Budget 2022 Strategy Report & Report of the Chief Executive on the setting of a Local Adjustment Factor for Local Property Tax for 2022

Cathaoirleach Jimmy Moloney thanked the Chief Executive, Head of Finance and the Finance team for their work on the LPT element of the Budget Strategy. He invited the Chief Executive and Head of Finance to outline the Budget Strategy to Council.

The Chief Executive introduced the Budget 2022 Strategy Report and said a pre-Budget meeting was held with Elected Members on 19 July 2021 to go through the report. The Chief Executive outlined the following:

“The 2020/2021 period faced by Kerry County Council has been unprecedented on so many levels and the challenges faced by the County and its citizens and the economy remain significant.

Budget 2022 is framed in this context and the out-turn position for 2021 is contingent on the sustained continuation of very significant Central Government supports. The Commercial Rates Waiver from Central Government for the nine-month period January to September 2021 has been vital not only to support business, but also to support the stability of Kerry County Council's finances.

The year-end 2021 out-turn will be dependent on a number of factors including continued Government support to meet income foregone as a result of the Pandemic in respect of Rates Waiver, and subvention to other local income streams, such as car parking revenue.

As Kerry County Council moves into the 2022 Budgetary period, several factors will be critical to consider:

- Long-term impact of the pandemic on the County Rates Base
- Maintaining Service Level Provision
- Supporting the Economic Recovery of the County aligned to the Economic Recovery Plan
- Deliver the significantly expanding Capital Works Programme which has seen very extensive growth in the last 12/24 months. This Capital Programme reflects a 40% increase in Roads Funding, an extensive Housing Programme and Housing Construction Programme and the achievement of very significant Regeneration Town & Village Improvement Funding – requiring co-funding by Kerry County Council in recent times

The Financial planning which the Council is undertaking for the current period is focused on the commitment to continue to provide and extend our Services over 2022, and advancement of key Capital Infrastructure Developments to the value of €232m for 2022 across the County, which are integral to the Economic Recovery Plan for Kerry. This financial planning is also cognisant of the financial risks posed by a post pandemic economy and the competing demand for finances across the range of our extensive services.

A factor in the Council's financial planning is the need to increase the local revenue base to support the overall Budget and maintain service delivery for 2022. The Revenue generating powers of the Local Authority are exceptionally limited and, in that context, the Local Property Tax is an essential mechanism by which the Council can raise funds in a given year. The raising of revenue through the Local Property Tax is also central to fund the Local Authority Plans and Services into 2022 and the proposed increase in income at this stage of the Budgetary process will be essential to supporting the Council's Budget later in the year.

Kerry County Council has been very focused over the last number of years on Regeneration projects within our Towns and Villages. This focus is critical and reflects our rural nature, economy and communities. Given the future of work, leisure and residential patterns which are emerging- it is critical that the County continues to invest in this area. Kerry County Council has been very successful to date in bidding to receive Central Capital Funding into the County, particularly in the area of Urban and Rural Development Projects. These projects are of a sufficient size and scale to support meaningful projects across many of our Towns & Villages. The delivery of this programme together with the extensive Greenway Programme and Active Travel programme has the capacity to substantially improve our County as a place to live for our citizens and many visitors and significantly support the economic development of our County.

At this point in the process, and to support the need for additional funding required by Kerry County Council – I wish to identify the following Development and Regeneration projects which Kerry County Council has planned for and for which grant funding has been announced, and those regeneration projects of scale which the County intend to advance through Central Competitive Grant Calls over the year ahead.

Urban and Regeneration Development Fund (URDF)

Kerry County Council submitted significant Regeneration plans under a competitive call and received significant phased funding for both Tralee and Killarney. Government Funding has required a matching funding allocation from the Local Authority of 25%, as a result these combined grants of €36.5m require a matching contribution of €12.2m.

This phase of the Tralee URDF project contains specific elements for Regeneration:

- Public Realm Improvement Town Centre, Russell St./Bridge St./Lower Rock St. - Contractor onsite, works ongoing
- Tralee Town Centre Public Realm Improvement Phase 3 - Part 8 approved July 2021, detailed design and tender documentation being advanced
- John Joe Sheehy Road Masterplan - Advancing to Masterplan Stage
- Dereliction/Vacancy - Project Plan being developed to address vacancy/dereliction in Tralee town
- Island of Geese - Project ongoing
- Development of Tralee's Market Quarter

Killarney URDF contains specific elements for Regeneration:

- Áras Phádraig – Cultural Hub and Regeneration Site - Masterplan near completion, progress to design and planning in 2022
- Public Realm Town Centre - Project is at final stages of procurement for multi-disciplinary design team to progress to public consultation and preliminary design and planning phase in 2022
- Killarney Inner Relief Road - Project to advance during 2022

Rural Regeneration Projects

Caherciveen Town received an allocation under RRDF of €2.056m in 2021. This grant now allows the Council to bring to Planning stage a number of elements of the €20m Regeneration programme for Caherciveen. The Council's Own Resource requirement on the Design Stage is nearly €700k.

The elements of the Project include:

Development of the 'Daniel O'Connell Quarter', the repurposing of buildings in support of innovation and education and the enhancement of public realm in the town.

The Council is advancing further Rural Regeneration Projects for which RRDF funding has been allocated. These include The Valentia Cable Station €1.72m and the Dingle/Slea Head Traffic Management Scheme developed in partnership with Fáilte Ireland.

Over the course of 2021, the Council proposes to submit further Town Regeneration projects for potential funding under the RRDF scheme. The proposals are submitted on a competitive basis and adjudicated against other national projects.

- Listowel Town Centre Regeneration Plan: Development of a plan to leverage off the new developments planned for the area – Greenway and the By-Pass Link. This multi-million Project aims to link the Greenway with the Town Centre, resulting in Regeneration of the Town Core, building on the Literary/Cultural & Heritage strengths of the area
- Killorglin Regeneration Proposal will focus on Town Centre upgrade/dereliction and development of Tourism & Heritage buildings

It is estimated that should these projects be successful in the RRDF application process - that an Own Resource requirement of €2.5m - €3m will potentially be required.

Other Regeneration Projects to be advanced through Funding Proposals over the coming year include:

- Milltown – Our Rural Future- Rural Development Policy 2021-2025 references the funding for certain areas to complete Masterplans – leading to the development of future projects. It is anticipated that Milltown would require such an approach given the population growth levels and potential schedule Town Status as part of the County Development Plan
- Kerry County Council will engage with Údarás na Gaeltachta and other partners to consider the re-development of the Old Hospital
- Advancement of the Climate Decarbonised Zone Projects in Dingle and advance the Sustainable Travel Pilot and advance potential funding scheme for the Town Park
- Kerry County Council will work with the local partners in Castleisland to advance through central co-funding proposals the redevelopment of the River Walk backland area. This is a sizeable project with potential to rejuvenate this area
- Kenmare – advance proposals through a central funding application for the development of The Peninsula Lands and the Pier. These are significant development projects. The sourcing of Car Parking for the town is an essential requirement and funding arrangements will need consideration

Conclusion

The above projects reflect some of the significant Regeneration works which are either underway or to be advanced. They do not reflect the significant County Greenway Programme and many other Local Development Projects of a smaller scale across the County. The Council will also work with Fáilte Ireland in respect of projects arising out of the Visitor Development Plans and potential funding opportunities arising.

The large-scale Town Regeneration Projects which have been successfully developed and in- train at this time and those that are at application stage amount to over €100m and will require an Own Resources Contribution of €22m over the coming years.

As part of the financial planning it is estimated that €7m of the County contribution will come from the Capital and Development Contribution Programme. The Council will require a further local contribution of €15m in this respect over the coming years.

The amount of funding available to the Council after consideration of the LPT process – will inform significantly the approach to the Budget process later in the year and inform the level of funding available across all functions and services of the Local Authority.

Having assessed the financial needs of the Local Authority at this time, I am requesting the Members of Kerry County Council to consider a Local Property Tax increase of 15% for 2022, which represents an increase of 7.5% on the 2021 Rate. This represents a €2.1m increase on income.

This report must be considered in conjunction with the Chief Executive's Report on the Setting of a Local Adjustment Factor for Local Property Tax 2022."

The Chief Executive said she appreciates that she is asking Members to consider a 15% increase on the LPT base, but a comprehensive proposal is being presented to Members on projects that will be extremely necessary for this county as it moves through and post Covid.

Ms. A. McAllen, Head of Finance, referred members to the Chief Executive's Report on the Setting of a Local Adjustment Factor for Local Property Tax for 2022, which had been circulated and outlined the following:

"1. Budget 2022 – Background and Process

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 2022 Budget process has commenced in the same format as last year pending any further DHLGH clarification.

1.1 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 2022 Budget Strategy Meeting of July 26th 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).
- The amount of General Municipal Allocation (GMA) to be provided to Municipal Districts. This is dependent on the total level of income available 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.
- 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. 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, the ongoing uncertainty in relation to the Rates base and the ongoing review of this area nationally, I consider any financial provision in this area would be unwise.
- Rates Harmonisation Final Year - 2022 represents the 8th and final year of the harmonisation period agreed with Members for Budget 2015. The 8-year harmonisation period has gradually resulted in a single Annual Rate on Valuation of €79.25 for Budget 2022.

1.2 Draft Budgetary Plan for Municipal District Meetings October 2021 and Statutory Budget Meeting November 2021

The Draft Budgetary 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 draft budgetary plans of the Municipal Districts of Tralee, Killarney, Listowel, Kenmare and Castleisland-Corca Dhuibhne 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. The 2022 Schedule of Municipal District Works will be considered by Members in early 2022.

2. Setting of the Local Adjustment Factor for Local Property Tax for 2022

2.1 Background

Under Section 20 of the Finance (Local Property Tax) Act, 2012, as amended by Section 5 of the Finance (Local Property Tax) (Amendment) 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.

The Finance (Local Property Tax) Act, 2012 (as amended) and the Local Property Tax (Local Adjustment Factor) Regulations 2014, as amended by Local Property Tax (Local Adjustment Factor) (Amendment) Regulations 2021, 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 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

2.2 Local Property Tax Bill 2021

In June 2021, the Minister for Finance announced plans to proceed with a revaluation of Local Property Tax later this year, to take effect for the 2022 Liability Year. Heads of a Bill, The Finance (Local Property Tax) (Amendment) Bill 2021 has been published and the necessary legislation is in the process of being enacted. The impact of this is to bring forward the deadline for notifying the Revenue Commissioners of the Local Adjustment Factor to the 31st August, in a revaluation year for 2022. The Bill provides that property valuations will be reviewed every four years and will facilitate the regular addition of new properties into the LPT. It is proposed, amongst other measures that the valuation bands will be widened to make the changes affordable and to maintain the overall structure of the LPT.

Information published by the Department of Finance states that "under the proposed changes, the majority of homeowners are likely to see no change or a decrease in the amount they pay in LPT. Where increases arise, the majority will be by a single band (€90), notwithstanding significant increases in property values since 2013."

New Band Structure:

Current Band Structure			Proposed as per Heads of the Finance (Local Property Tax) (Amendment) Bill 2021			
Band	Charge	Band	Charge	1% Variation of Basic Rate €	Plus 15%	
1	0 – 100,000	90	1 -200,000	90	0.90	103.50
2	100,001 – 150,000	225	200,000 -262,500	225	2.25	258.75
3	150,001 – 200,000	315	262,501 - 350,000	315	3.15	362.25
4	200,001 – 250,000	405	350,000 -437,500	405	4.05	465.75
5	250,001 – 300,000	495	437,501- 525,000	495	4.95	569.25
6	300,001 – 350,000	585	525,001-612,500	585	5.85	672.75
7	350,001 – 400,000	675	612,501 - 700,000	675	6.75	776.25
8	400,001 – 450,000	765	700,001- 787,500	765	7.65	879.75
9	450,001 – 500,000	855	787,501 – 875,000	855	8.55	983.25
10	500,001 – 550,000	945	875,001 – 962,500	945	9.45	1086.75
11	550,001 – 600,000	1,035	962,501 – 1,050,000	1,035	10.35	1190.25
12	600,001 – 650,000	1,125	1,050,001 – 1,137,500	1,190	11.90	1368.50
13	650,001 – 700,000	1,215	1,137,501 – 1,225,000	1,409	14.09	1620.35
14	700,001 – 750,000	1,305	1,225,001 – 1,312,500	1,627	16.27	1871.05
15	750,001 – 800,000	1,395	1,312,501 – 1,400,000	1,846	18.46	2122.90
16	800,001 – 850,000	1,485	1,400,001 – 1,487,500	2,065	20.65	2374.75
17	850,001 – 900,000	1,575	1,487,501 – 1,575,000	2,284	22.84	2626.60
18	900,001 – 950,000	1,665	1,575,001 – 1,662,500	2,502	25.02	2877.30
19	950,001 – 1,000,000	1,755	1,662,501 – 1,750,000	2,721	27.21	3129.15
20	Over €1m		1,750,001+	2,830+	28.30	

Source: Current Band Structure and proposed New Band Structure announced by Minister for Finance on 2nd June 2021, www.finance.gov.ie The Finance (Local Property Tax) (Amendment) Bill 2021

Statistics issued by the Department of Housing, Local Government and Heritage in relation to the 2021 Property Valuation Bands for Kerry based on property values as at 1st May 2013 are shown below.

LPT 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	32.8%	32.4%	26.4%	5.1%	1.8%	1.5%
<p>Impact on LPT Revenue of KCC of a 1% Variation on the Basic Rate = €142,920 Impact on LPT Revenue of KCC of a 15% Variation on the Basic Rate = €2,143,800</p>						

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, €13,776,761 for 2022. Any local variation to the basic rate is effective for that year only.

2.4 Financial Position

As outlined in the Budget Strategy Report, 2020/2021 has been unprecedented and the challenges faced by the County and its citizens and the economy remain significant. The out-turn position for 2021 is contingent on the sustained continuation of very significant Central Government supports. The Commercial Rates Waiver from Central Government for the nine-month period January to September 2021 has been vital not only to support business, but also to support the stability of Kerry County Council's Finances. The year-end 2021 Out-turn will be dependent on a number of factors including continued Government support to meet income foregone as a result of the Pandemic in respect of Rates Waiver, and subvention to other local income streams, such as car parking revenue. This does not reflect the long-term impact of the Pandemic to the County Rates Base.

The following table reflects the current financial position and the current estimated position for the next local financial year.

2.5

Schedule 1
Estimation of Income and Expenditure
Kerry County Council

	<u>Current Local Financial Year Budget</u>	<u>Next Local Financial Year 2022</u>
INCOME		
Commercial Rates	44,009,241	44,009,241
Local Property Tax	14,847,950	15,920,561
Grants and subsidies	57,757,317	60,124,227
Other income	51,778,847	49,189,292
Total Income	168,393,355	169,243,321
EXPENDITURE		
Payroll Expenses	60,595,455	61,045,455
Pensions	9,807,900	10,307,900
Loan interest and principal repaid	3,915,729	6,415,729
Social benefits (transfer payments to households) - note 1	17,797,556	17,955,770
Capital grants paid - note 2	6,774,315	6,720,040
Other expenditure - note 3	69,502,400	73,352,461
Total Expenditure	168,393,355	175,797,355

2021 Budget assumes the maintenance of financial supports from Central Government for Commercial Rates, Local Income and Covid-19 related costs.

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, LEADER, Community Enhancement Programme 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.

2.6

Schedule 2 Financial Position of Kerry County Council

	<u>As to Year</u> <u>Date 31st</u> <u>March 2021</u>
ASSETS	
Current Assets (including cash and investments)	136,830,385
General revenue reserve (if surplus)	5,336,268
Loan receivable	31,269,262
LIABILITIES	
Current liabilities (including overdraft)	58,102,290
General revenue reserve (if deficit)	
<u>Loans Payable</u>	
~ Voluntary housing/mortgage loans	26,723,198
~ Non mortgage loans	34,017,238
	60,740,436
INDICATORS	
Ratio of loans payable to revenue income	0.36:1
Ratio of current assets to current liabilities	2.30:1

2.7 Estimation of Financial Effect

Section 20(2A)(c) of the Finance (Local Property Tax) Act 2012, as amended by 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 Local Property Tax (Local Adjustment Factor) (Amendment) Regulations 2021 the following matters must be considered: -

- Potential Impact on the LPT Revenue in the forthcoming financial year
- 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, Local Government and Heritage guidance.

The Council was advised in June 2021 (Cir. Fin 15/2021) that the Net LPT 2021 position (post variation) for Kerry County Council was €15,364,000 for 2021, at that time.

Preliminary Local Property Tax (LPT) Statistics from the Revenue Commissioners (July 2021) shows that there were approx. 64,400 properties returned in Kerry for LPT, at that time.

The Council received notification from the Department of Housing, Local Government and Heritage on 17th June 2021 of the Provisional Local Property Tax Allocation for 2022 (see attached). The Local Property Tax allocation for Kerry County Council therefore for 2022 (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 2022 would potentially result in an adjustment of €142,920. 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%) for 2022, 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%) for 2022, the resultant loss in LPT income will be reflected in reduced LPT funding to the Authority.

Potential Impact on the Service Delivery Plans of the Council

The Local Property Tax Allocation continues to form a large percentage of overall income (8.82% in 2021) 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 2022. No additional funding will be available to the Council from the Department to offset any reduction in Local Property Tax.

2.8 Feedback from Public Consultation

The Council published notice of Statutory Notice of Consultation of Setting a Local Adjustment Factor on 16th June 2021 in accordance with the Local Property Tax (Local Adjustment Factor) Regulations, 2014 and the Local Property Tax (Local Adjustment Factor) (Amendment) Regulations 2021 providing a period up to 2nd July 2021 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 14 days was provided for making written submissions to the Council in accordance with Regulations.

The Members must consider the feedback from the public consultation process. A total of 8 submissions were received from the public as part of the legislative process. All submissions were from individuals. 4 no. indicated that they did not want an increase

in Local Property Tax, 3 no. requested a decrease in Local Property Tax and 1 no. did not comment specifically on the rate of Local Property Tax.

The following is a summary of the main issues raised in the written submissions received as part of the public consultation. 3 no. submissions referred to the financial, household and employment impact and referenced the impact of COVID-19. 3 no. referenced public services, infrastructure and also benefits for rural areas. 2 no. submissions referred to the rate of Local Property Tax only.

2.9 Conclusion

I have set out in this report and the Budget 2022 Strategy Report 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 2022, 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 for 2022 is August 31st, 2021.

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, Local Government and Heritage and the Revenue Commissioners must also be notified on or before 31st August, for 2022. 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).

As referred to in the Budget Strategy, I propose an increase of 15% to the Basic Rate of Local Property Tax, which is a critical element in providing revenue funding for significant Regeneration projects throughout the County in 2022.”

Ms. McAllen, Head of Finance, advised that the LPT Bill has now been enacted.

Cathaoirleach Jimmy Moloney thanked the Chief Executive for the detail and clarity provided to Elected Members on the LPT element of the Budget.

All Elected Members thanked management and staff for the reports presented and their work on the budget strategy.

Cllr. Bobby O'Connell said to be progressive there must be investment in our services. It is a difficult decision to increase the LPT, but 62% of households under the new structure will be paying less than they are paying already. The increase on the 2021 LPT will be just €2-€3. Kerry must stay competitive. He said he could not support an increase of 15%. He PROPOSED for the Financial Year 2022 that Kerry County Council increase the variation on Base Rate by 10%.

Cllr. Michael O'Shea acknowledged that the Chief Executive is asking for a 15% increase on the LPT base rate to fund a significant list of projects. Kerry County Council as a body is the most progressive local authority for seeking funding for projects. There are massive savings for everybody across the new LPT bands. Thus, we are asking for only a small contribution that will contribute to every Municipal District and community. He said he could not support an increase of 15% increase. He SECONDED the PROPOSAL of a 10% increase on the LPT base rate.

Cllr. Deirdre Ferris said the Chief Executive indicated that the LPT decision will impact on the budget. The Sinn Féin party met with the Chief Executive and explained the affect any increase above base rate will have on constituents. The majority of people Elected Members represent have been hit with significant increases in fuel and rents and the number of people issued with Notices to Quit is significant. There is no doubt there is a great plan in play for Kerry, but at what cost. She asked that every Elected Members think about those people. She said her remit is to hold management of Kerry County Council to account. Burdening the ordinary person of the county with extra cost is not acceptable because they will not see the benefit. She PROPOSED that the LPT rate remain at base rate for 2022.

Cllr. Robert Beasley SECONDED this PROPOSAL.

Cllr. Michael Cahill said an increase of 15% on the LPT base rate is out of the question. Government has been very generous regarding COVID payments. Businesses, however, cannot find staff because of the generosity of the PUP payment. He welcomed the proposals regarding Caherciveen, adding that all these projects will need additional services, facilities and funding. He also welcomed the application regarding Killorglin as there is a lot of dereliction in the town. He questioned how rural areas, smaller villages and remote places will benefit from the LPT. He expressed concern regarding beaches and said over the last 10 days we have seen how popular they are. The provision of additional car parking in Kells and a footpath from Rossbeigh to Glenbeigh must be examined.

Cllr. Sam Locke asked what projects will not proceed if a 15% increase is not agreed. He welcomed that bands 1, 2 and 3 are being amalgamated which will alleviate financial burden on some constituents. There could be serious implications for households in higher bands given increasing house prices. People will be brought into different bands without them evening knowing it. He asked how many new properties will come into this system and how much funding these properties will realise.

Cllr. Jim Finucane said the only opportunity for significant industrial development in the county is the Fortress project in Tarbert/Ballylongford. The Greenways will be the economic generators of the future. Services will have to be provided in order for new businesses to develop on those routes. People must also be encouraged to return to the county. He supported the proposal to increase the base rate by 10% as it recognises the challenges and helps economic development of projects in the county.

Cllr. Johnny Healy-Rae said he fundamentally disagrees with LPT. Projects are needed for the county, however, in rural areas people do not see the benefit of it, e.g. no footpaths and public lighting or Local Improvement Scheme. It is unfair of management to seek an increase of 15%. It is unfair of anyone to propose an increase of a tax on the family home.

Cllr. Maura Healy-Rae said housing general maintenance has suffered, along with hedge cutting and pothole filling. It is not a reflection on staff, rather it is down to a lack of full-time staff. She said she could not support an increase of 15%.

Cllr. Jackie Healy-Rae said this is the third year in a row an increase on the LPT base rate has been sought. He said while he cannot argue with the projects outlined, which are all worthy, everyday basic services must be provided as this is where we are falling down. Last Friday there was yet another water break which left customers in the Castleisland-Corca Dhuibhne Municipal District without water for a lot of Friday into Saturday. He thanked the Water Services crews for their work on the water break. He said he would be able to accept an increase if it was going towards general maintenance, roads, improvement schemes, footpath programmes; the basic everyday services that people want to see improved. A road sweeper has been sought in Castleisland for years; this would help the maintenance of the town. There is a disparity in the way the LPT is spent and outlined to Elected Members. Towards the end of July Elected Members are being asked to vote on the LPT without knowing the reality of the Council's financial position. He said given the number of submissions received on the LPT he believes Kerry County Council is not engaging sufficiently with the public.

Cllr. Niall Kelleher said eight people made submissions during the LPT consultation process. The public consultation has been promoted, but there is no engagement from people. Projects have been outlined, with a lot of national investment from Government, which need matching funding. Many towns do benefit from the LPT, e.g. this morning work started in Rathmore on a long-awaited project. The number of Notices to Quits is significant and as landlords are leaving the market, there are less houses to rent which will result in rent increases. There are issues to be addressed, but they do not form part of what Elected Members are deciding on today. The Community Support Fund has led to investment in areas; via this discretionary fund that has been maintained since the LPT was first introduced. The Government decision on the LPT bands will result in the majority of houses in this county seeing their LPT rate reduced. He supported the proposal to increase the LPT by 10% from base rate.

Cllr. Brendan Cronin said management must understand the financial position households are in after COVID. He said while recognising the majority of projects on the list, there is no benefit for rural Kerry, the projects are in major towns/urban areas and he feels very aggrieved by that. A proactive hedgecutting programme was to be put in place and that has failed. The lack of a water scheme in Mid-Kerry is an issue and a water break was experienced again last Friday/Saturday leaving people without water. He said he cannot put a burden on people that do not have water in their taps. The LPT is not providing for rural Kerry, there is no progress on Listry Bridge and he urged voting against an increase on the LPT.

Cllr. Charlie Farrelly asked what is the logic of a 15% increase on LPT; the country is still in the midst of a pandemic. Government has raised carbon tax which is an increase of households; from the 1st August electricity and gas prices are to increase. These are huge increases for everyone, including pensioners, whose payment has not been

raised for two years. Costs for sending children to national and secondary school have increased. Housing prices are rising, as are rents. Any increase on the LPT base rate will be passed on to tenants. He said he could not support the increase of 10%.

Cllr. Marie Moloney said since March 2020 many businesses have closed and have not reopened. People who lost their jobs have mortgages to pay and cannot be asked to pay more. Utility bills are increasing. Students cannot get holiday work and have issues with accommodation costs they paid and have not been refunded. Hedgecutting remains an issue in many areas as does water services. She said she cannot support an increase of 10% on the LPT base rate.

Cllr. Tom Barry said he will base his decision on the feedback he is getting from constituents, families that are struggling right now. He acknowledged that these are challenging times for the Council which has been impacted by COVID. However, the people represented by Elected Members have been most impacted having suffered job losses and in some cases two jobs in a household have been lost. They are struggling to pay mortgages and bills. We should be showing solidarity with these people, people that are trying to survive.

Cllr. Donal Grady said this is very serious for Kerry County Council to try and deliver services and it is also difficult for people. Inflation is just under 2%, therefore, a request for an increase of 10% to 15% is significant. He suggested that the list of projects could be reviewed and reduced. He said he does not agree with a 10% increase and acknowledged that the county must progress. The position with water services is terrible and a better attempt must be made to help people. There are also a lot of old jobs that must be addressed. He PROPOSED for the Financial Year 2022 that Kerry County Council increase the variation on Base Rate by 7.5%.

Cllr. Terry O'Brien said he could not support an increase of 10%. He SECONDED the PROPOSAL to increase the base rate by 7.5%. He said the projects outlined are all positives for the county and asked if detail could be provided on the difference in income between a 7.5% versus 10% increase. He said he could appreciate the need for a 10% increase, but it is too much to ask of people.

Cllr. Norma Moriarty said this Local Authority has delivered on commitments every time an increase in LPT has been sought, e.g. over 200 jobs are being created in the RDI Hub in Killorglin. €2m was drawn down for Ballinskelligs, and because of that the area is now well-positioned to bring people home to work in the area. She said she has no issue supporting the LPT because she believes in the idea of social contract and collective bargaining. The COVID PUP payments and grants will be paid for in taxation; it is the citizens of this country that will pay that money. She acknowledged the frustrations regarding water services. To let the LPT at base or reducing it would result in a loss of projects and that is too large of price to pay. Elected Members have an obligation to hold management to account but also have an obligation to economic development. We need to do that through these means for these projects.

Cllr. Fionnán Fitzgerald said the LPT is a big decision for Elected Members and it cannot be over-simplified by saying applications will no longer be made for larger projects because basic services are not right. Economic development of the county cannot be denied because water services are not working well. A person in a rural area is benefiting through an urban development as many are working in urban areas. The Castleisland River Walk is a great project and would be of huge benefit.

Cllr. Robert Beasley said there are many good projects mentioned which need financing. In relation to seaside resorts, there continues to be issues, for example, no parking facilities. There is a very short window of opportunity for businesses in seaside resorts. He commended the work of the Enforcement Officers, Litter Wardens and dog Wardens on beaches, however, due to lack of parking facilities people are going to beaches that are not being policed. The road network is falling apart in North Kerry because it is built on bog. He supported Deirdre Ferris's proposal to retain LPT at base rate.

Cllr. Patrick Connor-Scarteen said he supported the LPT in the past and can see the results in economic development in the county. It benefits the whole of the county and is put to good use. The URDF projects in Caherciveen and Killorglin are significant. The development of Kenmare peninsula lands would be welcome. Kenmare town has traffic issues and needs parking facilities. An urban regeneration project for Kenmare town would be welcome in the next number of years. He supported the proposal to increase the LPT base rate by 10%.

Cllr. John Francis Flynn said it is never easy deciding on the LPT, however, the bigger picture and projects must be considered. The projects outlined need big injections of funding. He said his constituency is very rural, with many people travelling into Killorglin for work. The majority of households will see a reduction in their LPT. He said he cannot sacrifice funding for his area and he will support the LPT increase.

Cllr. Niall O'Callaghan asked what a 5% decrease in the LPT base rate will mean in relation to services. People are struggling and need a break in some shape or form. He said he voted for the LPT two years ago and against it last year because it was too high an increase. Regarding water, Irish Water is not under our control.

Cllr. John O'Donoghue said it is very important that in the midst of a pandemic we work on how we will come out of the pandemic. The projects outlined will be very important going forward. It appears that every household will pay less LPT this year. This is something that needs to be done and many projects need funding. He acknowledged that people are struggling.

Cllr. Cathal Foley acknowledged how difficult the LPT meetings are and how difficult it is to balance a budget. There are lots of increases already on families throughout the county. Parents are receiving requests for school funding, fuels are increasing and inflation is increasing. The LPT is the only tax on which Elected Members have an influence. He said he will not be adding to the pressure on families. He said he supports fair taxation and a tax on a household is not a fair tax.

Cllr. Johnnie Wall said 90% of Kerry's property tax is generated from the first three bands. 58% of households will be paying less than what they paid in 2021. He said he cannot support a 15% increase. However, to see projects progress the LPT must be supported to provide funding. He said that he would support a 10% increase.

Cllr. Breandán Fitzgerald said this is about services/lack of services/increasing services. He sought assurance that Castleisland-Corca Dhuibhne Municipal District will receive adequate funding to provide services for the area. The Community Support Fund is a worthwhile fund for bringing funding to every parish. To maintain that and hopefully increase it would help bring us out of the pandemic. Housing assistance grants matching funding also needs support. He said he would support an increase on the LPT, but not a 15% increase.

Cllr. Mikey Sheehy said a difficult decision is to be made. There is also an issue of responsibility and delivery for the county. A number of rural areas in Tralee Municipal District are on the cusp of development, e.g. Fenit which will be linked with Tralee via the Greenway. Fenit will be afforded huge opportunities to develop as a rural village in Kerry. Lack of engagement by the IDA in Kerry has been mentioned, however, there is also a responsibility on us to provide within the county.

The Chief Executive outlined the following:

Water breaks do not impact Kerry County Council's budget in any way or the LPT process.

Local Improvement Scheme - national funding has been doubled which will have a significant impact in Kerry.

With regard to individual projects, there are a number on hand and in place and Kerry County Council is obliged to co-fund them. She said she appreciates that a 15% increase is a big ask, however, she must ask for what is best for Kerry County Council. Projects to the value of €100m are on the table to be co-funded.

A 15% increase on the LPT base rate equates to €2.1m funding for Kerry County Council. In terms of the multiplier it is worth over €8m in projects to the county.

A 10% increase equates to €1.4m funding and €5.6m in projects.

A 7.5% increase equates to €1m funding and €4m in projects. This would result in a €4m loss in projects to the county.

The Castleisland River Walk is a €240,000 project which requires significant co-funding.

The Chief Executive said that as Chief Executive she has to be very aware of the financial stability of the county and cannot continue to apply for grants without co-funding.

Ms. A. McAllen, Head of Finance, said the first three bands will be combined at current valuation rates. The impact for approximately 90% of households equates to €90 per annum.

A 10% increase on the LPT base rate equates to €99 per annum an increase of €2.75 per annum for the householder. It equates to €1,429,200 to the local authority.

A 7.5% increase on the LPT base rate equates to €96.75 per annum for the householder.

A decrease of 5% would equate to a loss of €714,600 to the Local Authority and a €3m reduction in funding for projects.

Cllr. Bobby O'Connell WITHDREW his proposal and said he supports the proposal to increase the LPT by 7.5%. He asked the Chief Executive what projects will not go ahead if 7.5% is agreed.

The Chief Executive said the difference is €0.4m into local authority funding. That equates to €1.6m of projects. Projects on hand will have to be reviewed and some elements of them scaled back.

Cllr. Michael O'Shea said regarding a 7.5% increase, it is important for Elected Members to know in advance of voting the new list of projects that would be successful and those that will not be going before the Department.

Cllr. Fionnán Fitzgerald asked what projects are likely to be decreased if LPT is agreed at base rate plus 7.5%.

Cllr. Sam Locke asked where the cuts will be if there is a reduction of any percentage.

The Chief Executive said there is a programme of €100m with €22m of own resources required. €15m is what we must come up with. €2m is available via a 15% increase on the LPT base rate. The remaining funding will have to come from the main budget or projects will have to be scaled back, e.g. Listowel and Killorglin projects on the list equate to €7.5m. They would have to be scaled back significantly if co-funding is not available. Elements within the Tralee, Killarney and Caherciveen projects would also have to be scaled back.

The Chief Executive said going into the future she would have to be very mindful of where co-funding for these projects is coming from. If it is to be taken from the main budget it means less for services, e.g. roads or housing, which is not palatable. She said she believes the LPT is a good way to fund these projects. They are either funded via LPT or by going into the budget or scaling back the projects.

Cllr. Deirdre Ferris said the Sinn Féin party met with the Chief Executive and the Head of Finance last week and they were aware there was going to be petitions to reduce the LPT. Management should have been ready to know what projects would be cut. Political parties that are parties in Government must petition to increase Local Government funding.

On the PROPOSAL of Cllr. Michael O'Shea, SECONDED by Cllr. Norma Moriarty, a recess of five minutes was agreed.

The meeting broke for a recess of five minutes at 3.49 p.m.

The meeting resumed at 3.54 p.m.

Cllr. Charlie Farrelly referred to the Castleisland River Walk quoted at a cost of €250,000. He said €195,000 was mentioned at Municipal District level and asked for clarity on this.

Mr. P. Corkery, Meetings Administrator, said the following have been proposed:

- a) To vary the basic rate of Local Property Tax for 2022 upwards by 7.5%.
Proposed by Cllr. Donal Grady, Seconded by Cllr. Terry O'Brien.
- b) Not to vary the basic rate of Local Property Tax for 2022.
Proposed by Cllr. Deirdre Ferris, Seconded by Cllr. Robert Beasley.

Mr. Corkery outlined that if the proposal to vary the basic rate of Local Property Tax for 2022 by 7.5% fails, the Local Property Tax for 2022 automatically goes to the base rate.

Mr. P. Corkery, Meetings Administrator, outlined that the proposal by Cllr. Ferris not to vary the basic rate of Local Property Tax for 2022 is a direct negative to the proposal by Cllr. Grady to vary the basic rate of Local Property Tax for 2021 upwards by 7.5% and a vote would now be taken.

Mr. P. Corkery, Meetings Administrator, said a vote would be taken on Cllr. Donal Grady's proposal which was seconded by Cllr. Terry O'Brien as follows:

"That we the members of Kerry County Council hereby resolve to vary the basic rates of Local Property Tax for 2022 upwards by 7.5% and set a local adjustment factor of 7.5% in accordance with Section 20 of the Finance (Local Property Tax) Act 2012 as amended by Section 5 of the Finance (Local Property Tax) Amendment Act 2013."

As Cllr. Jim Finucane was attending the meeting online, Mr. P. Corkery, Meetings Administrator, allowed five minutes after the Cathaoirleach had cast his vote for Cllr. Jim Finucane to cast his vote, as provided for in the Supplementary Standing Orders for the management of Remote Meetings.

The vote resulted as follows:

For: Cllrs. Michael Cahill, Patrick Connor-Scarteen, Jim Finucane, Breandán Fitzgerald, Fionnán Fitzgerald, Seamus Fitzgerald, John Francis Flynn, Donal Grady, Niall Kelleher, Norma Moriarty, Terry O'Brien, Bobby O'Connell, John O'Donoghue, Michael O'Shea, Mikey Sheehy, Johnnie Wall, Cathaoirleach Jimmy Moloney **(17)**

Against: Cllrs. Tom Barry, Robert Beasley, Brendan Cronin, Charlie Farrelly, Deirdre Ferris, Cathal Foley, Michael Foley, Jackie Healy-Rae, Johnny Healy-Rae, Maura Healy-Rae, Mike Kennelly, Sam Locke, Dan McCarthy, Marie Moloney, Niall O'Callaghan, Aoife Thornton **(16)**

Not Voting: (0)

Absent: (0)

Cathaoirleach Jimmy Moloney declared the proposal CARRIED.

The meeting concluded at 3.55 p.m.

Pádraig Corkery
Meetings Administrator

Cathaoirleach of Kerry County Council