



WICKLOW COUNTY COUNCIL PPN PRESENTATION ON LOCAL GOVERNMENT FINANCE

22nd April 2021

Presentation Summary



- Revenue Expenditure v Capital Expenditure
- Capital Expenditure Plan
- Revenue Budget Process
- Local Property Tax
- General Municipal Allocation/Discretionary Funding
- Revenue Budget Expenditure and Income
- Discretionary and Non-Discretionary Costs
- Commercial Rates

Revenue Budget v Capital Budget



- Local Authorities administer 2 separate financial Budgets - Revenue A/C and Capital A/C

- Revenue Expenditure & Income
 - Revenue Exp approved by Councillors at the Annual Budget Meeting
 - Usually relates to day to day activities
 - Examples: Maintenance of Housing, Roads, public lighting, playgrounds, libraries, burial grounds etc.
 - Funds staffing and administration costs
 - Financed by Government Grants, Fees and Charges, LPT and Commercial Rates

Revenue Budget v Capital Budget



➤ Capital Expenditure & Income

- Generally relates to the creation of an asset with a life extending beyond a year e.g. House, Road, Library, Playground.
- Financed by Capital Grants, borrowings, development levies, capital reserves.
- 3 Year Capital Programme presented annually to the Council Members (March)
- 2021-2023 Capital Plan amounts to €651m.
- Capital Plan details maximum potential investment subject to available funding.

Capital Expenditure Plan 2021-2023



PROGRAMME GROUP	Expected Outlay				Proposed Funding				
	2021	2022	2023	TOTAL	Dev Charges ¹	Loan	Grant Aid ²	Other ³	TOTAL
	€	€	€	€	€	€	€	€	€
HOUSING AND BUILDING	149,460,000	148,060,000	147,760,000	445,280,000		30,000,000	360,740,000	54,540,000	445,280,000
ROAD TRANSPORT & SAFETY	33,009,134	16,435,578	14,227,500	63,672,212	11,045,290	7,795,000	41,907,749	2,924,173	63,672,212
WATER SERVICES	150,000	150,000	150,000	450,000			450,000		450,000
ECONOMIC DEVELOPMENT - DEVELOPMENT MANAGEMENT	2,340,000	8,178,000	6,300,000	16,818,000	1,097,800	-	10,114,200	5,606,000	16,818,000
ENVIRONMENTAL SERVICES	1,250,000	4,010,000	11,775,000	17,035,000			16,210,000	825,000	17,035,000
RECREATION AND AMENITY	4,583,594	25,749,891	17,823,000	48,156,485	9,439,775	-	37,696,710	1,020,000	48,156,485
AGRICULTURAL, EDUCATION, HEALTH & WELFARE	1,150,000	25,320,000	27,062,946	53,532,946	4,647,869		43,837,209	5,047,869	53,532,946
MISCELLANEOUS SERVICES	1,950,000	2,200,000	2,200,000	6,350,000			2,325,000	4,025,000	6,350,000
OVERALL TOTAL	193,892,728	230,103,469	227,298,446	651,294,643	26,230,734	37,795,000	513,280,868	73,988,042	651,294,643

Revenue Budget Process



- 1) Local Property Tax Rate Variation Decision
– Before 30th September
- 2) Draft Budgetary Plan including the General Municipal Allocation (GMA) issued to Municipal Districts for consideration – Oct 14th to Nov 15th
- 3) Adoption of the Draft Annual Budget
– Between 1st and 30th November

2021 LPT Allocation



	2021 LPT Allocation
100% of LPT Income Allocation for Wicklow	17,298,256
20% to National Equalisation Fund	-3,459,651
80% of LPT to be retained locally	<u>13,838,605</u>
Ring-fenced Allocation to self fund Capital Housing Projects	(1,831,707)
Net LPT Funding available to WCC	12,006,898

LPT Impact on Revenue Budget



- The Local Authority may, as a reserved function, resolve to vary the basic rate of LPT within its functional area by a maximum of +/- 15%

Reduction/Increase in income if LPT basic rate varied by				
1%	5%	7.50%	10%	15%
€172,983	€864,913	€1,297,369	€1,729,826	€2,594,738

LPT – Impact on a Liable Person



Valuation Band	Standard Rate	Local Authority LPT Rate Adjustment by					% houses in value band in Wicklow	No. houses in value band in Wicklow
		1%	5%	7.50%	10%	15%		
		€	€	€	€	€		
0 to 100,000	90	0.90	4.50	6.75	9.00	13.50	15.20	8,117
100,001 to 150,000	225	2.25	11.25	16.88	22.50	33.75	18.70	9,986
150,001 to 200,000	315	3.15	15.75	23.63	31.50	47.25	26.40	14,098
200,001 to 250,000	405	4.05	20.25	30.38	40.50	60.75	18.60	9,932
250,001 to 300,000	495	4.95	24.75	37.13	49.50	74.25	8.40	4,486
300,001 and over	585	5.85	29.25	43.88	58.50	87.75	12.70	6,782



General Municipal Allocation

- Discretionary Funding that is made available to the Municipal District Members for allocation in the draft budgetary plan
- Dependant on level of total income available to WCC and the level of non discretionary costs that must first be met.
- Includes funding for Twinning, Festivals, Civic Receptions and Tidy Towns.
- MD members may consider changes to local charges applied in their district with any increases or decreases in those charges impacting on the overall level of funding available to that district.
- Additional Discretionary Funding for public realm works may be allocated to the MDs on Budget Day subject to available funding. Due to the reduction in LPT funding for 2021 no additional funding was provided this year.

General Municipal Allocations 2021



Description	Arklow	Baltinglass	Bray	Greystones	Wicklow	Total
Town Twinning	0	0	0	0	0	0
Economic Development and Promotion	28,000	7,000	9,500	10,000	13,000	67,500
Christmas Festival	20,000	10,000	20,000	10,000	20,000	80,000
Festivals / Other	5,000	4,000	32,000	10,000	5,000	56,000
Civic Receptions	1,000	1,000	1,000	1,000	1,000	5,000
Total	54,000	22,000	62,500	31,000	39,000	208,500

2021 Planned Revenue Budget Expenditure



Division	Description	€	%
A	Housing and Building	32,017,070	27
B	Road Transportation and Safety	26,091,345	22
C	Water Services	7,772,871	7
D	Development Management	14,294,076	12
E	Environmental Services	14,059,369	12
F	Recreation & Amenity	10,178,725	9
G	Agriculture, Education, Health & Welfare	1,812,373	2
H	Miscellaneous Services	12,354,736	10
	TOTAL EXPENDITURE	118,580,565	100

2021 Revenue Budget Income Sources



Income Category	€	%
Local Property Tax	12,006,898	10
Commercial Rates	32,078,026	27
Good and Services	36,703,103	31
Grants and Subsidies	37,942,538	32
Total Income	118,730,565	100

Non-Discretionary Costs



- **Payroll Costs:** Salary/Wages/Pensions.
- **Contra/Grant Funded Items:**
RAS/HAP, DPGs, Homeless Funding, Road Grants, SICAP, LEO, Sports Partnership, Irish Water.
- **Other Non-Discretionary Costs:**
Light & Heat, Insurance, Loan Interest, Capital Transfers, Statutory Contributions, Rates Write Offs.
- 90% of Budget Expenditure

Discretionary Costs



- 10% of Budget
- Not contractually committed
- Local Roads Maintenance (own resources)
- Public Lighting
- Housing Repairs & Maintenance
- Community Grants
- Environmental Initiatives
- Arts and Festivals
- Library Book Purchases
- Economic supports
- Matching funding for Capital Programmes
- Discretionary spend in Municipal Districts

Commercial Rates



1. Property Valuations set by Valuation Office.
2. Annual Rate of Valuation (ARV) set by WCC
3. Customer Rates Bill is Property Valuation X ARV
4. Calculate Proposed Expenditure for year (A)
5. Calculate Income available for year (B)
6. Total Expenditure must equal Total Income
7. $A - B =$ Balance to be funded from Rates i.e. setting of ARV
8. ARV for 2021 is set at 0.217



Commercial Rates

- Approx. 3,800 rated premises in Wicklow
- 90% of ratepayers in Wicklow have an annual rates bill of €10,000 or less.
- 9 month Rates Waiver Scheme introduced in 2020.
- 3,516 properties received the waiver valued at €13.3m
- 6 Month Waiver Scheme in place in 2021

Local Government Finances



THANK YOU