



# Wicklow PPN: Local Government Budgets

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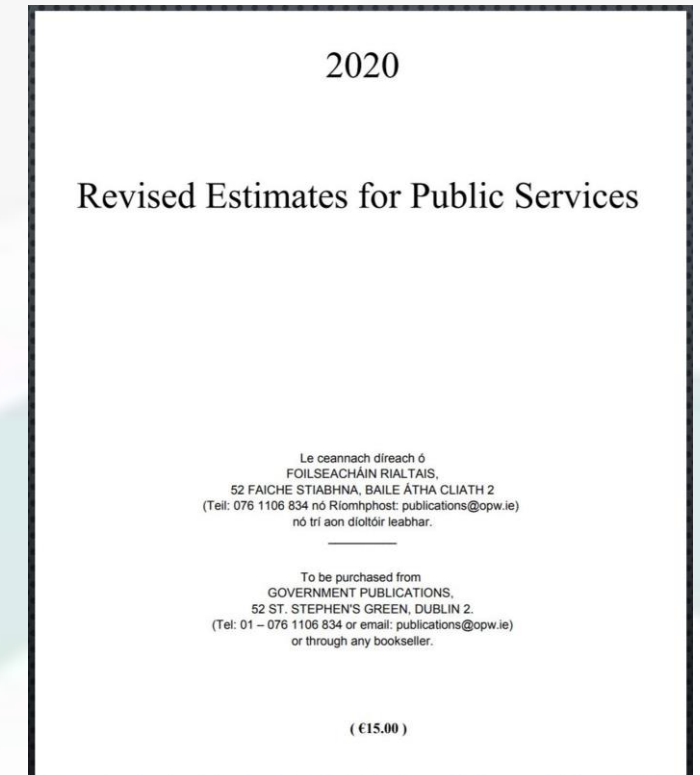
# The Budget Cycle:

- The National Budget
- The Local Authority Budget
- The Budgetary Process
- Participatory Budgeting

# The National and Local Budget processes and how they are related

# The National Budget

- The National Budget - usually presented to the Dáil on second Tuesday of October
- Part of an annual process
- Implications at a European level
- Some of the steps in the process include
  - Spring/Summer Economic Statements
  - National Economic Dialogue
  - White Paper on Receipts & Expenditure



# The National Budget

- National Budget affects Local Authority funding
- Local Authorities funded under Vote 34 – related to the Department of Housing, Local Government and Heritage
- Local Authorities also have some of their own revenue raising levers

		Agency Statement							
		AGENCY STATEMENT FOR VOTE 34 - HOUSING, PLANNING AND LOCAL GOVERNMENT							
		Housing and Sustainable Communities Agency (Subhead A.23)							
		2019 Estimate			2020 Estimate			Change	
		Current	Capital	Total	Current	Capital	Total	2020	
		€000	€000	€000	€000	€000	€000	over	
									2019
									%
<b>Expenditure:</b>									
Administration:									
	Pay	6,500	-	6,500	7,000	-	7,000	8%	
	Non-Pay	3,500	-	3,500	3,500	-	3,500	-	
	<b>Total Expenditure:-</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>	<b>10,500</b>	<b>-</b>	<b>10,500</b>	<b>5%</b>	
<b>Sources of Income:</b>									
Exchequer:									
	Subhead A.23	10,000	-	10,000	10,500	-	10,500	5%	
	<b>Total Income:-</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>	<b>10,500</b>	<b>-</b>	<b>10,500</b>	<b>-</b>	
Public Service employees (whole-time equivalents)				110			125	14%	

		An Bord Pleanála (Subhead D.3)							
		2019 Estimate			2020 Estimate			Change	
		Current	Capital	Total	Current	Capital	Total	2020	
		€000	€000	€000	€000	€000	€000	over	
									2019
									%
<b>Expenditure:</b>									
Administration:									
	Pay	12,028	-	12,028	12,368	-	12,368	-	
	Non-Pay	11,510	460	11,970	12,913	1,200	14,113	18%	
	<b>Total Expenditure:-</b>	<b>23,538</b>	<b>460</b>	<b>23,998</b>	<b>25,281</b>	<b>1,200</b>	<b>26,481</b>	<b>10%</b>	
<b>Sources of Income:</b>									
Exchequer:									
	Subhead D.3	18,088	460	18,548	18,331	1,200	19,531	5%	
Non-Exchequer:									
	Other	5,450	-	5,450	6,950	-	6,950	28%	
	<b>Total Income:-</b>	<b>23,538</b>	<b>460</b>	<b>23,998</b>	<b>25,281</b>	<b>1,200</b>	<b>26,481</b>	<b>10%</b>	
Public Service employees (whole-time equivalents)				152			191	26%	

		Ordnance Survey Ireland (Subhead D.11)							
		2019 Estimate			2020 Estimate			Change	
		Current	Capital	Total	Current	Capital	Total	2020	
		€000	€000	€000	€000	€000	€000	over	
									2019
									%
<b>Expenditure:</b>									
Administration:									
	Pay	13,033	-	13,033	13,250	-	13,250	2%	
	Non-Pay	13,284	985	14,269	14,287	985	15,272	7%	
	<b>Total Expenditure:-</b>	<b>26,317</b>	<b>985</b>	<b>27,302</b>	<b>27,537</b>	<b>985</b>	<b>28,522</b>	<b>4%</b>	
<b>Sources of Income:</b>									
Exchequer:									
	Subhead D.11	14,778	985	15,763	16,778	985	17,763	13%	
Non-Exchequer:									
	Other	10,855	-	10,855	10,823	-	10,823	-	
	<b>Total Income:-</b>	<b>25,633</b>	<b>985</b>	<b>26,618</b>	<b>27,601</b>	<b>985</b>	<b>28,586</b>	<b>7%</b>	
Surplus / Deficit in year				(684)	64			64	
Public Service employees (whole-time equivalents)				222			230	4%	

# Understanding Local Authority Budgets

- On what are they based?
- How do they work?
- The Budget Process
- Who is involved?

# On what are they based?

- Local Government Act 2001 (as amended)
- Sections 102 and 103
- Available in full at:  
<http://www.irishstatutebook.ie/eli/2001/act/37/enacted/en/html>

# How do they work?

- Annual process, for every individual local authority
- An estimation of necessary expenditure
- An estimation of likely income
- Local Authority Budget Meeting
- Notice periods, accessibility etc.



# How do they work?

- Local Authority Budget sets out
  - the resources available to the Local Authority and
  - how these resources are to be used
- Variations are possible
- Provision made in the Local Government Act for consultation
- Council workshop
- Capital expenditure not included

# How do they work?

- Central Government funding
- Commercial rates
- Local Property Tax
  - Equalisation Fund
  - Local Adjustment Factor (+ or – 15%)
- Local Authority housing rents
- Charges on the use of leisure facilities
- Parking fees

# How do they work?

- Capital grants
  - New housing
  - New roads
  - Other infrastructure
- Sale of assets
  - Land
  - Miscellaneous

# How do they work?

## Local Authority Expenditure

- Allows for the day to day operation of the local authority.
- Divided into
  - Discretionary spending
  - non-discretionary spending

# How do they work?

- Local Authority Expenditure includes:
  - Staff salaries and other costs
  - Insurance
  - Other overheads
  - Maintaining local authority housing
  - Homeless services
  - Footpaths
  - Public lighting
  - Burial grounds
  - Promoting tourism
  - Maintaining parks, playgrounds, libraries etc.
  - Spending on capital infrastructure

# How do they work?

## Discretionary vs non-discretionary expenditure

- Non-discretionary expenditure is essential – the local authority has no choice
  - Non-discretionary expenditure gets first call on resources available
  - Examples include staff salaries and other costs; insurance; committed expenditure
- Discretionary expenditure is what is left over in the local authority budget, once all non-discretionary expenditure has been covered

# Budget Process

1. Budget Strategy agreed
  2. Draft budgetary plans for each Municipal District developed
  3. Draft Local Authority Budget
  4. Adopt Budget
- National Budget – Process runs up to October
  - Local Authorities – Process usually runs July to December

# Budget Process

- Developed in phases
- Among those involved:
  - The Chief Executive
  - Director of Finance
  - Heads of Local Authority Departments
  - Municipal District Members
  - The Corporate Policy Group (CPG)



# Who is involved? - Corporate Policy Groups

- Comprised of:
  - Cathaoirleach of County Council (chairs CPG)
  - chairpersons of the Council's various Strategic Policy Committees
  - chairs of each Municipal District
- Advises and assists Council on policy matters
- Links up the SPCs

# Audit Committee

- Section 122 of Local Government Act 2001
- Mix of internal and external members
- Reviews financial practices of the local authority
- Provides advice
- Governance

# Budget Process

- Agree Budget Strategy
  - The Department Heads submit their budgets to the Director of Finance
  - DoF and CE prepare overall budget outline
  - Consultation with CPG
  - Consider financial implications of LPT variation
    - (must be confirmed by September 30<sup>th</sup> each year)
  - Consider other budgetary matters, e.g. rates
- Preliminary Budget submitted to Department by Sept 30th

# Budget Process

- Draft budget plans for each Municipal District
  - Includes how the General Municipal Allocation (GMA) will be spent
  - These should be adopted no later than 21 days prior to the Local Authority Budget meeting
  - Budgetary plan **must** be adopted at the meeting.
  - If no agreement, the CE make take it without amendment
- General Municipal Allocation is
  - Discretionary funding, available to Municipal Districts
  - Depends on resources available, versus essential expenditure
  - Allocated to each Municipal District by the Chief Executive

# Budget Process

- Drafting Local Authority Budget
  - Draft Municipal District Budgetary plans (with GMAs) are incorporated into overall draft Local Authority Budgets
  - Statutory Budget Meeting is convened in November
  - 14 days from date of first meeting to adopt budget
  - Budget is adopted
  - Schedule of Municipal District Works

## Appendix A – Timeline of Key Dates for Budget Process 2018

August 2017

Monday 31st July	• Advertisement and Commencement of LPT Public Consultation Phase
Monday 31st July - Wednesday 30th August	• LPT public consultation phase - 31 days
Wednesday 30th August	• LPT public consultation phase deadline
Monday 4th September - Tuesday 12th September	• Budget Strategy and LPT - consultation phase for Councillors & CPG
Wednesday 23rd August	• Report to September 4th City Council Meeting - Briefing on Consideration of Local Property Tax Adjustment Factor and Budget Strategy 2018
Wednesday 13th September	• Final Budget Strategy and LPT information to issue to Councillors
Tuesday 19th September	• Council Meeting to pass resolutions on LPT Variation and agreed Budget Strategy
30th September	• Deadline for LPT variation notification to Revenue Commissioners & DOE
30th September	• Deadline for submission of Budget Strategy to DOE
Friday 13th October	• Deadline for Publication of Public Notice of Variation of Basic Rate of Local Property Tax in local newspapers and DCC website (Within 14 day period of 30th September)
October	• Group discussions on Annual Revenue Budget commence
Mid - October	• National Budget parameters to be published
Friday 3rd November	• Final date for issuing draft Annual Budget
Friday 3rd November	• Date by which Budget Advertisement must be published in national newspapers
Wednesday 8th November	• Budget Information Meeting
Monday 13th November	• Statutory Budget Meeting
Thursday 30th November	• Final date for holding Statutory Budget Meeting
End of November	• European Commission to give opinion on draft National Budget
31st December	• Deadline by which National Budget must to be adopted (as per EU Framework)

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# Participatory Budgeting

A decision-making process involving citizens in the allocation of funding

- identify spending priorities
- elect delegates
- initiate local community projects.

Can lead to a more participative relationship between citizens and local authorities

- Potential for better public spending decisions, and enhanced transparency
- Potential for greater understanding among citizens



# Participatory Budgeting

Different models possible

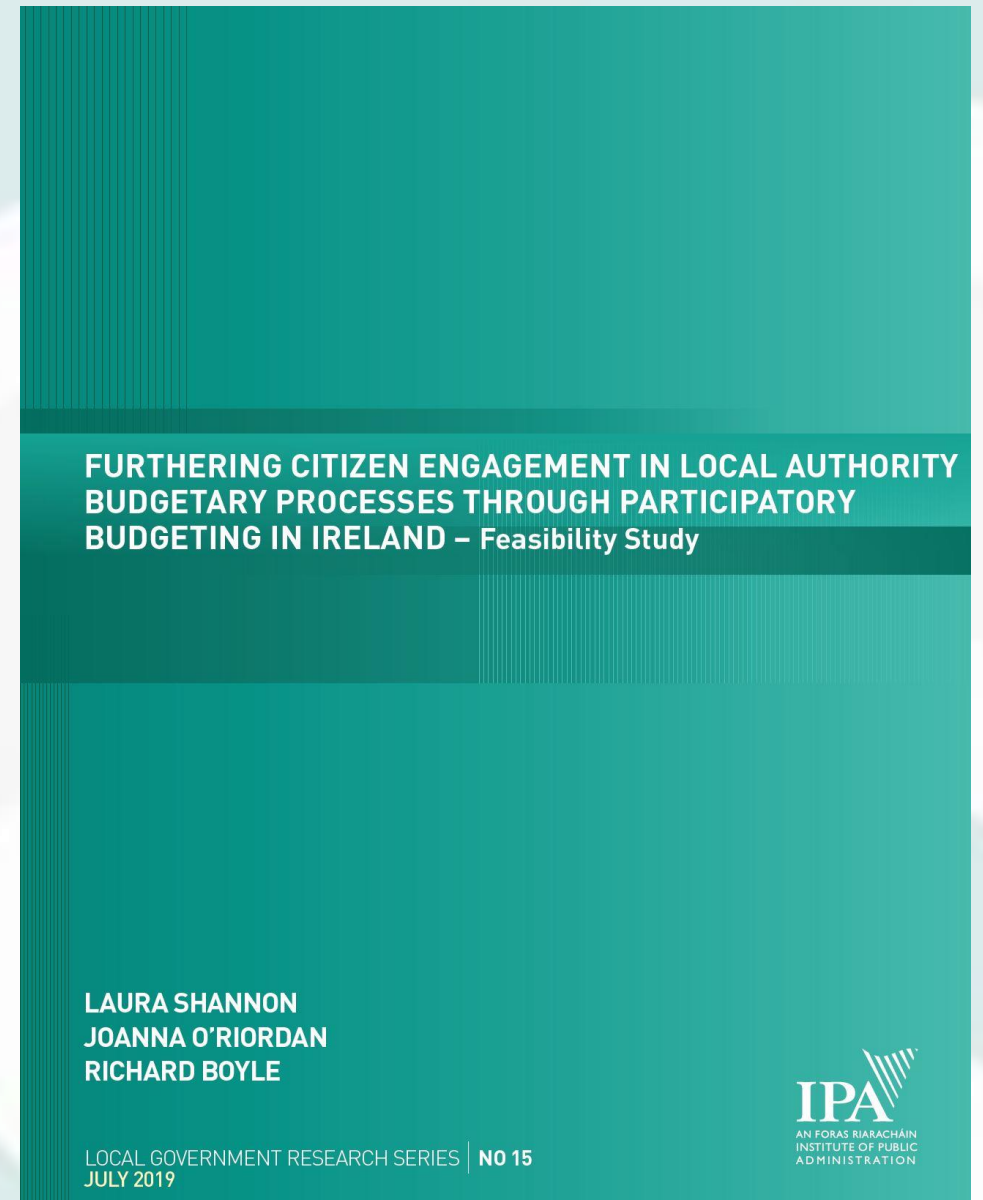
Some general principles:

- Finances must be discussed
- Repeated process
- Includes public deliberation
- Accountability required

Currently being done on a pilot basis

# Participatory Budgeting

- IPA Report on Participatory Budgeting
- Authors
  - Boyle
  - O’Riordan
  - Shannon





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Thank You