



IRELAND– November 2020

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Cork council avoids slash-and-burn budget due to State bailout

A Government bailout has helped Cork County Council avoid a slash-and-burn budget meaning there will be no hike in rates next year.

However, council tenants and users of civic amenity sites (CAS) face increased charges.

A few weeks ago the local authority had forecast a deficit of €19.1m. However, the government's commitment to compensate Cork County Council for loss of substantial income from rates, pay parking and municipal-run swimming pools has helped the local authority to pass a budget for 2021, which will see its expenditure rise from €338.4m to €348.1m.

The council is also able to balance the books due to a 2.5% increase in local property tax (LPT), which will bring in €17.1m next year, and by utilising €4.1m of its own reserves.

Council chief executive Tim Lucey said without these measures and the government intervention it would have been extremely difficult to prepare a budget which would have been passed by councillors.

The council's head of finance, Lorraine Lynch, said the Government's decision to pay the council revenue it would have lost due to a nine-month rates waiver, and to compensate it for additional costs it incurred on anti-Covid-19 measures, helped to ensure there will be no notable cuts to its services.

The new charges include an increase from €3 to €4 per visit to civic amenity sites, while council tenants who have heating boilers will have to pay an additional €2 per week to have them maintained.

Ms Lynch said that while compensation for the nine-month rates waiver is very welcome, the council still estimates a loss of €3.5m from rates because some businesses won't be able to pay up and others will have received a reduction through the Valuation Office.

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Meanwhile, half of the council's €1m economic development fund is being diverted next year to upgrade town centres and to tackle dereliction.

Fine Gael leader on the council, John Paul O'Shea, said the budget was "created under very difficult circumstances" and maintained the increase in the LPT is vital to prop up services.

He pointed out there would be no increase in rates next year and this is vital to help businesses re-start. "I've every confidence our rates department will deal very compassionately with those who have difficulty repaying what they owe," he said.

His counterpart in Fianna Fáil, councillor Seamus McGrath, didn't agree with the boiler charge, claiming it is unfair as it doesn't take into account a tenant's ability to pay.

Mr McGrath also said his party colleagues have a difficulty with the increased CAS entry charge because of the fear it could lead to more people dumping waste illegally.

Spokesman for the Independents, councillor Declan Hurley, acknowledged the input of central government but also expressed concern about the CAS and boiler charges. He said not enough money has been set aside in the budget for the upkeep of burial grounds as well as piers and harbours.

Ms Lynch said the council is conscious of the need to invest in harbour infrastructure and is looking at setting up a special fund for that in the future.

Independent councillor Ben Dalton O'Sullivan maintained cuts could be found in the council's huge printing and postage bills, which could be used to maintain funding for the maintenance of burial grounds and harbours.

After some debate councillors voted unanimously to adopt the budget.

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