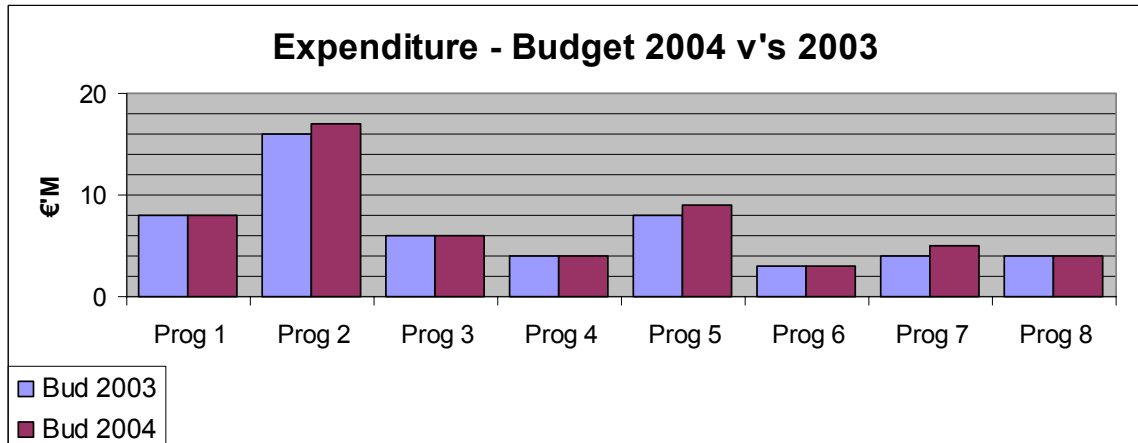
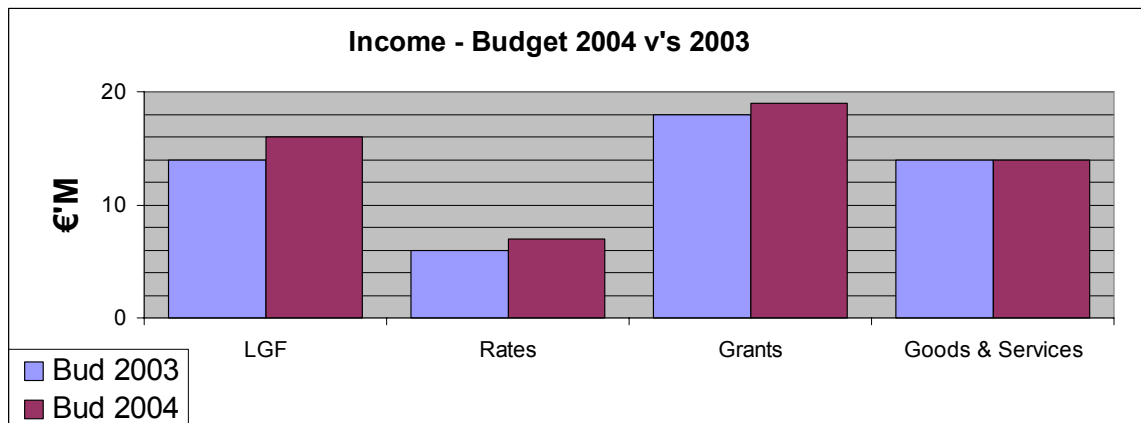


## Draft Budget 2004 - County Manager's Report

The Draft Budget projects total expenditure of €55.7m, the programme group breakdown of which can be seen in the following chart:



The proposed income sources to fund this expenditure can be seen in the following chart:



In preparing the Draft Budget, considerable attention was focused on cost reduction where possible. The benefits of this strategy are particularly evident in areas such as legal costs, bank charges, overdraft interest cost, etc. In addition, revenue collection performance was improved during 2003 which impacted positively on the 2004 Budget.

The main changes in the proposed 2004 Budget vs Budget 2003 are as follows:

	Note	2003 €'000	2004 €'000	Change +/- €'000	%
<b>EXPENDITURE (INCREASES)/DECREASES</b>					
Fire Protection	1	2,518	3,196	<b>(678)</b>	(27)
Benchmarking – Salary & Pension	2(a)	419	975	<b>(556)</b>	(132)
Water & Sewerage Schemes	1	3,608	4,130	<b>(522)</b>	(14)
Salary (excl. Benchmarking)	3	8,713	9,380	<b>(667)</b>	(7)
IT Costs	5	771	1,067	<b>(296)</b>	(38)
Additional Local Funding of Roads	1	2,030	2,330	<b>(300)</b>	(15)
Disabled Persons Grant	1	615	800	<b>(185)</b>	(30)
Housing Stock Maintenance Repair	1	675	850	<b>(175)</b>	(26)
Swimming Pool	1	88	200	<b>(112)</b>	(127)
Broadband Project	1	-	85	<b>(85)</b>	n/m
Members Representational Payments	1	290	365	<b>(75)</b>	(26)
Pension (excl. Benchmarking)	4	2,310	1,922	<b>388</b>	16
Waste Disposal	1	4,250	3,884	<b>366</b>	9
Loan Charges - County Hall & Revenue Deficit	1	904	823	<b>81</b>	9
Legal Costs – Housing	1	115	65	<b>50</b>	44
Overdraft Interest	1	110	70	<b>40</b>	36
Agency Services – SEHB	1	54	15	<b>39</b>	72
Motor Tax (excluding Payroll)	1	204	173	<b>31</b>	15
Legal Costs – Planning	1	45	15	<b>30</b>	67
				<b><u>(2,691)</u></b>	
<b>INCOME INCREASES/(DECREASES)</b>					
Landfill Charge & Related Income	1	4,250	3,595	<b>(655)</b>	(15)
Arts Organiser Recoupment	1	235	131	<b>(105)</b>	(44)
Local Government Fund	7	13,997	15,995	<b>1,998</b>	14
Rates Increase (6%)	6	6,657	7,058	<b>401</b>	6
Rates Base Expansion	8	6,395	6,657	<b>262</b>	4
Rental Income	1	1,900	2,200	<b>300</b>	15
Planning Fees	1	430	600	<b>170</b>	40
Disabled Persons Grant	1	410	533	<b>123</b>	30
Fire Charges & Safety Certificates	1	380	440	<b>60</b>	16
Water Charges	1	1,185	1,235	<b>50</b>	4
				<b><u>2,604</u></b>	

**Note 1: Various**

All of these items are explained in the detailed Programme Group reports which follow.

## **Note 2: Benchmarking – Salary & Pensions**

### **(a) Non Craft/General Operative Grades**

The impact of the second phase of the Benchmarking Report's pay recommendations for these grades will be an addition of approximately €556,000, or 4.8%, to current payroll costs. This second phase represents payment of 50% of the benchmarking award from 1<sup>st</sup> January 2004, the first phase of 25% of the award having already been paid effective from December 2001.

### **(b) Craft/General Operative Grades**

The benchmarking reports pay recommendations for these Grades is a 17% increase over existing pay rates. 25% of this award is backdated to December 2001 with 50% of the award payable from January 2004. In effect, the 2004 Budget provides for an additional cost equivalent to the full 17% award as the Phase 1 payment of 25% is backdated for two years in addition to the second phase payment of 50% of the award being payable from January 2004.

## **Note 3: Salary Costs**

The 2004 Budget takes account of The Sustaining Progress Agreement, which envisages a 3% pay increase from the 1<sup>st</sup> January, 2004, plus 2% from 1<sup>st</sup> July, 2004 and 2% from 1<sup>st</sup> December, 2004. These increases equate to a 4.25% annual increase in 2004 over 2003.

## **Note 4: Pension Costs**

Mitigating the impact of pay increases referred to previously, which have a knock-on effect on pension costs, is the fact that the number of pensioners, and their associated pension costs, will decrease.

## **Note 5: IT Costs**

Increased IT costs result from ever increasing organizational usage of technology based systems. Historically there has been an under spend in this area and the spend has been ramped up in 2003 and 2004 to make systems available to staff and customers. Considerable progress has been made to date and the investment in 2003 is now bearing fruit. There is better service in areas like the Libraries where the system has been updated and integrated to the Council Network, and also planning where our fully digitized system is about to be made available to the public over the internet. Staff members are now relying more heavily on IT systems and IT is being used to increase the efficiency in how staff do their jobs.

In particular, the 2004 Budget increase is driven by factors such as costs arising from licences and maintenance contract reviews for the systems already in place, plus the purchase of new systems, and the purchase of ordnance survey licences and map tiles. This IT cost benefits all service areas including Libraries but it is consolidated under this one heading for information purposes. The 2004 budget IT costs of €1,067,000 while substantial, represents less than 3% of gross budget.

**Note 6: Rates Increase**

The Department has directed that there will be no cap on rates for 2004 and in light of the overall budgetary situation, a 6% increase in the Rate charged has been budgeted which will yield an additional €401,000

	<b>2003</b>	<b>Increase</b>	<b>2004</b>
Annual Rate on Valuation	40.60	6%	43.04

Kilkenny County Council's rate, at an Annual Rate on Valuation of 40.60 for 2003, is the lowest County Council rate in the country. If Kilkenny County Council's rate was increased by 30% to bring it up to the 2003 average of 52.71, then income from this source would be €1.7m higher than currently. To deliver the range of services that the Council is responsible for, while meeting the unavoidable cost increases referred to in this report, it is necessary to increase the rate by 6% to an Annual Rate on Valuation of 43.04. This increase will leave Kilkenny County Council with a 2004 rate charge which even were it to increase by a further 22%, would still only match the 2003 national average rate charge.

**Note 7: Local Government Fund**

The Local Government Fund allocation received in 2003 was €13,997,496 (including Motor Tax recoupment). Pending notification from the Department of Environment and Local Government, an increase of 14% on the Local Government Fund for the Year 2004 has been projected. This yields additional income of €1,998,000, bringing the total grant in 2004 to €15,995,000.

**Note 8: Rates Base Expansion**

An expansion in the rates base of just over 4% will yield an additional €262,000 in income.

## **Customer Service Initiatives:**

During 2003 a number of Customer Service initiatives were advanced which have given immediate benefit to the public across a range of services. These included:

- Initiation of Extensive Planning Clinics at Area Level –
- Decentralisation of suitable services for delivery at local Area Offices - housing maintenance, planning clinics, action on derelict sites, information on all Council services and coordination of responses to elected members and the public have all been successfully devolved.
- Installation of Enhanced Communication Systems – including an integrated telecommunications system linking 20 offices throughout the County and City and giving each service its own direct contact number, the County Council and some individual service websites were revamped and/or launched
- Proactive public consultation exercises – undertaken on a number of major projects including, Local Area Plans, River Nore Drainage Scheme, Inner Relief Road, N9 Motorway
- Reorganisation of Office layout within County Hall – the service departments within County Hall were reorganised and relocated to ensure that services were more accessible to the public and that a “team approach” to service delivery was fostered.

Further Customer Service initiatives are proposed for 2004 which will build on the success of those outlined above. These include:

- Provision of a Customer Service Desk in County Hall – this will be operated by staff trained in the provision of frontline information and documentation across all Council services
- Decentralisation of additional services to local Area Offices – the identification of suitable additional services for delivery through the Councils Area Office network
- Information Systems to facilitate - remote working, contact with elected members, fully digitised intranet planning system, public access to services over internet
- New Castlecomer Area Office – work on this will commence very early in 2004

The foregoing is a broad outline of the 2004 Budget proposals. Detailed Programme Group reports now follow:

## PROGRAMME GROUP 1 – HOUSING AND BUILDING

The Budget for this Programme Group is as follows:-

**Expenditure €8,306,700**

**Income €6,700,100**

### **Housing Maintenance:**

Housing Maintenance comprises €850,000 of the maintenance, repair and improvement budget of €1,321,000. A 2004 Budget of €850,000 represents a 26% increase over the 2003 Budget of €675,000, and a 63% increase over the 2002 Budget of €520,000.

It is important that the Council proactively maintain and upgrade its housing stock, as distinct from solely reacting to repair requests. As a result of the increased 2003 budget allocation, a comprehensive start was made during this year when a Planned Maintenance Programme was commenced. Under this programme a total of 25 dwellings had central heating systems and double-glazed windows installed. This programme will continue in 2004 and subsequent years and should over time see a reduction in the number of repair requests being received. The proposed increased 2004 Budget would further accelerate this process.

Routine or response maintenance will always be required. During 2003, a total of 457 repairs were undertaken out of 615 valid requests received. This is a response rate of 74%.

### **Rental Income:**

While the 2004 budgeted Rental income of €2.2m is an increase of €300,000 on the 2003 Budget of €1.9m, it represents an increase of €100,000, or 4.8% on the projected 2003 outturn. The outturn for 2003 is better than budgeted due to tenant income buoyancy which we anticipate will continue in 2004.

### **Loan Charges/Income:**

A provision of €643,000 is made in the 2004 Budget towards reducing the imbalance of circa €8m that exists between amounts borrowed from the HFA/OPW and onward lent to customers. This provision of €643,000, which is unchanged from the 2003 Budget, will clear this imbalance over the 13 years between 2004 to 2016.

### **Disabled Persons Grants (DPG):**

The proposed 2004 Budget of €800,000 represents a 30% increase over the 2003 Budget of €615,000, and a 110% increase over the 2002 Budget of €380,000. The Department of the Environment and Local Government recoups two thirds of expenditure under this Scheme.

**Housing Assessment:**

The staff of the Housing Department meet regularly with all applicants for social housing. This policy will continue in 2004 as it ensures that, at all times, the circumstances of each applicant are known and can be prioritised taking cognizance of the many housing options available to suit their individual circumstances.

**Capital Programme:**

During 2003 the Council advanced a very significant capital programme. The following was the position at the end of November

35 Units Completed in 2003

72 In progress to be completed in 2004

16 With Department of Environment for approval to commence in 2004

62 Design to be finalised and to commence in 2004

**Housing Strategy:**

The first projects to which Part V - Housing Strategy applied were advanced during 2003. The first physical manifestation of the Strategy will be evident in 2004 with the completion and allocation of 6 dwellings in Thomastown. The Council has actively engaged with developers in pursuing all of the options available to the Council under the Strategy as adopted. Social considerations will continue to form an important element of the Council's decisions under the Strategy in 2004 and subsequent years.

**Affordable Housing:**

The scheme at St. Kieran's Crescent, Kilkenny was completed and fully sold during 2003. An assessment of the need for further schemes will be undertaken during 2004.

**Legal Costs:**

The 2004 legal costs budget is €65,000 which represents a €50,000 (44%) reduction from the 2003 Budget of €115,000. This reduced cost arises because:

- (1) more expertise is available, and legal work being done, in-house than heretofore  
plus
- (2) the large number of houses sold under the Affordable Housing Scheme in 2002, and implicit in the 2003 Budget, will not re-occur in 2004.

**Agency Services SEHB:**

The 2004 Budget of €15,000 represents a €39,000 (72%) saving on the 2003 Budget of €54,000. This saving arises from the decision to no longer use the services of the SEHB Environmental Health Officer or Occupational Therapist, while at the same time reducing the dependence on the Board's Medical Officer. The work previously done by these individuals is now being done in-house with a consequential cost saving.

<b>PROGRAMME GROUP 2 - ROAD TRANSPORTATION AND SAFETY</b>
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**The Budget for this Programme Group is as follows:-**

**Expenditure €17,308,200**

**Income €10,518,700**

**2003 Road Surface Dressing/Re-surfacing:**

During 2003 the following surface dressing and re-surfacing of roads was carried out:

	<b>Non-national</b> kms	<b>National</b> kms	<b>Total</b> kms
Surface Dressing	178	5	183
Re-surfacing	85	5	90
	263	10	273

**Road Works Scheme 2004:**

In accordance with Circular Letter Fin 17/92 of 16<sup>th</sup> September, 1992, from the Department, expenditure on all National Primary and National Secondary Road Improvement Works is included in the Capital Account.

Accordingly, the draft Budget does not include expenditure or income under these headings for 2004. With regard to the remaining grants, i.e. those in respect of Non-National Road Maintenance, Restoration, Discretionary Improvement, Specific Improvement etc., the amounts included for expenditure are the same as the grant allocations for 2003.

Revised figures for this Programme Group will be furnished to Members as soon as the amount of the grants for 2004 have been notified by the Department. However, as expenditure will equate to income in the case of these grants, the net rated provision under this Programme Group will not change. On receipt of notification of the grants, the Director of Services Report on the proposed Road Works Scheme for 2004 will be prepared and circulated for the consideration of the Members.

It is expected that the non-national road restoration programme will continue during 2004, and that grant receipts from the Department will be, at a minimum, commensurate with those received during 2003. The four year plan 2002/2005 has already been agreed by the Council for the implementation of the road improvement and restoration schemes.

Members will be aware of a decision taken in 1994 to increase funding of non-national roads from local sources within the county. To honour our undertaking to the Department, it is proposed to increase our contribution from local funds by €300,000 (15%) in 2004, from €2,030,000 to €2,330,000.

A 2004 Budget of €2,330,000 represents a €527,000 (29%) increase over the 2002 Budget of €1,803,000.

## **National Roads – Capital Projects**

### N8 and N9

It is expected that these schemes will be at Compulsory Purchase Order (CPO) stage by April 2004.

### N25 Waterford By-Pass

Work will commence on this project early in 2004.

### N77 Kilkenny Ring Road Extension

It is hoped to advertise for tenders for this scheme early in the new year with a view to construction commencing in mid-year.

## **General**

It is hoped to continue with the current programme of pavement improvements on various National Routes.

The NRA has indicated that the following Traffic Calming/Management Schemes will be prioritized in 2004:-

- N78 Castlecomer – Construction of traffic calming scheme.
- N9 Gowran – Design of traffic calming scheme.
- N9 Thomastown - Design of traffic calming scheme.

## **Public Lighting:**

Kilkenny County Council maintains approximately 5,000 lights. Public Lighting costs are budgeted to increase from €510,000 in 2003, to €555,000 in 2004. This increase of €55,000 can be explained by increased power, taking in charge and other costs of €45,000.

Arising from the most recent light upgrading programme, a capital charge of €80,000 per annum was being set aside in each years revenue budget to cover the cost incurred. 2003 is the last year of this capital charge but provision of €80,000 has been made in the 2004 Budget towards the cost of the next lighting programme, details of which have yet to be drawn up.

## **Road Safety:**

The primary objective of all road works is road safety, specifically, there is an ongoing programme dealing with road safety matters. The County Council consults with the NRA safety experts and brings forward annually an agreed “low cost safety programme” on national routes.

**Motor Taxation:**

Up to and including 2002, the Department of the Environment and Local Government fully reimbursed the Council for all costs associated with the Motor Tax Office. In late 2002, the decision was taken that, from 2003, the 2002 Motor Tax reimbursement of €572,000 to the Council, would be subsumed into the overall Local Government Fund allocation and as such be subject to whatever across-the-board increases etc. are applied to the Local Government Fund, i.e. the link that saw direct 100% reimbursement of Motor Tax costs is now broken.

Arising from cost savings identified, the 2004 non payroll budget costs are €31,000 (15%) lower than 2002

<b>PROGRAMME GROUP 3 - WATER &amp; SEWERAGE</b>
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**The Budget for this Programme Group is as follows:-**

**Expenditure €6,457,600**

**Income €3,351,000**

**Operation & Maintenance of Water Works & Sewerage Schemes:**

The operation and maintenance costs of the Water Works and Sewerage Schemes is budgeted to increase from €3,608,000 in 2003, to €4,130,000 in 2004. This increase of €522,000, or 14%, can be explained as follows:

	€
Increased Power Costs	30,000
Benchmarking & Sustaining Progress Cost (21%)	235,000
Other Operational Costs	<u>257,000</u>
	<u>522,000</u>

Apart from the increased power costs, and the costs associated with Sustaining Progress\Benchmarking, there is a higher level of expenditure being incurred on operational costs associated with Public Water Supply and Sewerage Schemes than previously budgeted. This was referred to in my Budget report last year, and I repeat again the comments I made then, namely that the extra costs are associated with maintaining the current state of an increased network, which at the same time highlights the need for further capital investment. The 2003 Local Government Fund allocation of €13,997,496 included a one-off allowance of €144,765 to assist in meeting the 2003 costs of Water Service Schemes commissioned since 2001.

The Strategic Review of Water Supplies in the County was approved by the Council in 2000 and it continues to form the basis of our programme of works for the foreseeable future. We will continue to work with the Department to secure funding for improvements to the Council's schemes and to enable the works outlined in the Strategic Review of Water Supplies to be completed.

**Major Capital Schemes:**

Funding has been secured for the following projects.

1. Gowran/Goresbridge/Paulstown Water Supply Scheme
2. Bennettsbridge Water Supply Scheme
3. Kilkenny City Regional Water Supply Scheme
4. Kilkenny Sludge Management
5. Kilkenny Waste Water Treatment Plant
6. Kilmacow Sewerage Scheme

The following schemes will enter the planning phase during 2004.

- (a) Ballyragget Water Supply Scheme
- (b) Clogh/Castlecomer Water Supply Scheme
- (c) Freshford/Johnstown Goresbridge Towns Sewerage
- (d) Urlingford/Johnstown Water Supply Scheme

### **Serviced Land Initiative**

A number of SLi's have been completed successfully or are about to commence. In addition funding has been secured for further schemes in Mooncoin and Gowran. An application has been made to the Department of Environment for an additional SLi for Bennettsbridge Sewerage Scheme.

### **Water Pricing Policy**

In accordance with government policy, the Council is required to:

- A) Collect capital contributions from non-domestic users for new infrastructure.
- B) Recover in full the operational costs for the provision of water and waste water services to non-domestic users.
- C) Complete metering of all non-domestic users by 2006.

### **Rural Water Programme**

The 2003 allocation of €1.3m was expended on Group Schemes and Small Schemes. Application has been made to the Department of Environment to continue with this programme. It should be noted that the Small Schemes Programme is funded to the extent of 25% by Development Contributions raised under the Development Contribution Scheme.

### **WATER CHARGES**

Water Charges are levied by the Council in respect of all non-domestic consumption, by way of metering or a flat charge.

The level of water charges that apply in the local authorities in the South East for the year 2003 is as follows:

<b>Local Authority</b>	<b>Fixed Charge</b>	<b>Metered charge (per 1000g)</b>
Carlow	€220 - €530	€3.30
Kilkenny	€265	€3.50
Tipperary South	€244	€3.25
Waterford County	€370 - €435	€4.00
Wexford	€272 -€544	€4.70

The budget is framed such that the 2004 charge will be €3.61 per 1000 gallons for metered consumption and €273 for a fixed charge; these charges represent a 3% increase on the 2003 levels.

**Leakage Detection Programme:**

Equally as important as the payment for water consumed is the conservation of water through the prompt repair of leaks and the notification of unauthorised connections. A dedicated team has been assigned by the Council for replacement of mains/repairs to mains to reduce the loss of water. To date, the Council has reduced unaccounted for water from 45% to 31% in Kilkenny city and environs. Under the Water Conservation Grants Scheme, €1.3m has been allocated for this work countywide.

## **PROGRAMME GROUP 4 – DEVELOPMENT INCENTIVES & CONTROLS**

**The Budget for this Programme Group is as follows:-**

*Expenditure €3,929,900*

*Income €1,438,000*

### **Forward Planning:**

The implementation of the adopted Kilkenny County Development Plan and Development Plan for Kilkenny City and Environs is provided for in the Budget as follows: -

- Area Plans for Freshford, Kells, New Ross, Goresbridge, Slieverue, Paulstown, Stoneyford, Mullinavat.
- A review of the implementation of the Kilkenny Housing Strategy,
- A review of the Kilkenny Retail Strategy,
- A landscape Appraisal,
- An indicative Forestry Strategy in conjunction with the Irish Forest Service.

I will be reporting to the members in July 2004 on the progress achieved in implementing the objectives contained in the Development Plans.

### **Extension of Kilkenny City:**

A Local Area Plan was prepared for the Poulgour/Wetlands Area of the Western Environs, the zoning of which has been provided for in the adopted Kilkenny City and Environs Development Plan. The Area Plan provides the detailed planning framework so as to enable the third major extension of Kilkenny City to take place. The Local Area Plan is currently on public display until the 19<sup>th</sup> December and will be before both Kilkenny County Council and Kilkenny Borough Council in 2004.

### **Planning Control & Enforcement:**

A new complaints procedure for Enforcement matters was brought into effect in 2002 and in 2003 a total of 443 complaints were investigated and 300 were brought to successful conclusion. Proceedings were brought before the Court in 10 cases and all were successful. Arising from the work of the Enforcement Section, an additional €100,000 in Planning fee income was collected during the year. The priority for 2004 is to continue the successful work in this area.

There has been an increase of 16% in the number of planning applications being assessed as compared to 2002. Planning fees income is expected to substantially exceed the budget. The increase is due to the nature of applications being applied for, the certainty provided by the Development Plans and Area Plans and various Strategies, the tax relief deadline for new hotel developments and the imminence of a new Development Contribution Scheme.

### **Customer Service:**

The use of information technology in Planning is subject to on-going review and many of our customers are making greater use of e-mail and the Council web-site. In 2003 the Planning Map Register was digitised and a Geographical Information System for the Planning Public Counter was provided.

**Planning Clinics:**

Planning Clinics are being run one day per week in each of the five Area Offices and with the Conservation Officer on request. The Clinics provide a valuable advice and guidance service to planning applicants. On average 40 appointments are dealt with weekly. A customer survey of attendees is currently underway and an initial examination of responses indicates a high level of satisfaction with the service being provided.

**Urban and Village Renewal:**

Phase 4 of the Council's Strategic Plan for Urban and Village Renewal will be undertaken with projects at Goresbridge, Ballyragget, Glenmore, Cuffesgrange, and Dunamaggin. This year's programme of work is continuing with schemes at Graiguenamanagh, Galmoy, Dunmore, Tullaroan, Moneenroe and Templeorum.

**Town Renewal:**

The Scheme of Tax Incentives for the designated areas is scheduled to cease at 31/12/04. It was extended following a number of submissions including one from Kilkenny County Council. There is an overall awareness of the Scheme amongst property owners and developers.

**National Spatial Strategy:**

Arising from the recent publication of the National Spatial Strategy, and Kilkenny's designation as a hub, there will be a concentrated effort put into maximising the attendant benefits for Kilkenny. The Regional Strategy and Guidelines is currently being prepared under the auspices of the South East Regional Authority.

**Broadband Project:**

The South-East Broadband "Serpant" project will be grant aided by the Department of Communications, Marine and Natural Resources (DCMNR) at a rate of 90% of eligible expenditure. Local Authorities will finance the balance of 10% of the expenditure. The South East Regional Authority (SERA) are the co-ordinating vehicle for the region's authorities. SERA have projected that the co-financing share required from Kilkenny County Council will be €418,000. Accordingly, provision is being made over 5 years at an annual cost of €85,000 per annum, the first such sum being budgeted for 2004.

**Legal Costs:**

Arising from more legal work being done in-house than heretofore, the 2004 budget for legal costs is reduced by €30,000 (67%) to €15,000, from €45,000.

**Section 6 Amenity Grants:**

The Section 6 Amenity Grant Budget for 2004 is €25,000. This is an expense heading that has seen a marginal increase over the last number of years. Should additional resources become available, then an increase in allocation to €40,000 should be considered.

<b>PROGRAMME GROUP 5 - ENVIRONMENTAL PROTECTION</b>
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**The Budget for this Programme Group is as follows: -**

*Expenditure €8,625,400*

*Income €4,356,900*

**Waste Enforcement:**

Strategies for the 2004 Environmental Protection Programme include setting up a dedicated Enforcement Team within the section. This four person team will be responsible for inspecting all facilities for which waste permits have been granted as well as monitoring waste movements within the current legislative framework. Additional resources in the amount of €141,000 have been set aside for this purpose. This is supported by a grant from the Environment Fund in the amount of €153,000.

**Litter Management Plan:**

A revised Litter Management Plan is being prepared for the period 2003 - 2006 and the Enforcement Team will work closely with the Education / Awareness Officer to ensure that the aims of this plan are met. Provision has been made to substantially enhance the street cleansing service to include for investment in new equipment. The 2004 Budget of €363,000 is €70,000 (24%) higher than the 2003 Budget of €293,000.

**Landfill Site:**

Major investment will continue to be expended at the Kilkenny Landfill to ensure it continues to be operated to the highest standard in accordance with the EPA licence. No change is proposed in the landfill gate fee which will remain at €150 per tonne plus the landfill levy (currently €15 per tonne).

**Kilkenny Recycling Centre:**

Funding for a dedicated caretaker at the Kilkenny Recycling Centre has been included. This will ensure that the Centre, which is located at the Kilkenny Landfill, continues to operate to the highest standard. It is proposed to introduce a nominal charge of €2 per car for recycling services at the centre.

**Waste Collection Permits:**

Waste Collection Permits for the south-east region are due for review in 2004 and an allowance has been made in the budget for resources to carry out this work as the lead authority.

**Water Quality:**

The Environment Section plans to address water quality through systematic implementation of the measures identified in the Phosphorous Measures Report. Farm surveys and other initiatives will be targeted to ensure good quality water. This work is supportive of the South-East River Basin Project which is ongoing. It is Council policy to continue to improve and upgrade the new laboratory facilities at Hebron Road.

## Fire Protection:

The fire protection area is, as for all other local authorities, a significant area of expenditure for Kilkenny County Council. The increase in budget cost, from €2,518,000 in 2003, to €3,196,000 in 2004, can be explained by the following factors:

	€
Unrealistic 2003 Budget	260,000
Benchmarking/Sustaining Progress	390,000
Insurances	25,000
Other Costs	<u>3,000</u>
	<u>678,000</u>

When preparing the 2003 Budget, it appeared that there would be a reduction in activity levels, experienced to that point. In reality, the 2002 activity and cost levels have continued through 2003 with the result being that the 2003 budget will be exceeded by approximately €260,000. It's expected that there will be approximately 1,075 fire callouts in Kilkenny during 2003. As a result, we have budgeted the 2003 activity levels for 2004.

The joint impact of benchmarking (17%) and sustaining progress (4.25%) means that there will be an additional cost of €350,000 arising.

With the new Fire Station at Callan and other improvements to stations, the insurance charge will be higher by €25,000.

As part of national arrangements, an improved centralized call out system is being proposed for the Leinster counties, this to be known as Camp East.

## PROGRAMME GROUP 6 - RECREATION & AMENITY

**The Budget for this Programme Group is as follows:-**

*Expenditure €2,661,900*

*Income: €431,400*

### **Swimming Pool:**

The provision of a new swimming pool has been given priority as an objective of the Kilkenny Local authorities. Completion of both the pool and associated sports hall complex will cost approximately €16m, of which up to €6m in grants may be forthcoming. This would leave a net cost of €10m, to be funded locally by way of loan finance, assuming Departmental loan sanction is forthcoming.

With a 20 year repayment period, then it is estimated that the annual cost to the local Authorities will be in the order of €800,000 per annum. The Borough Council, being the lead authority, are currently addressing the issues of location and method of delivery. When these issues are determined a proposal will be presented to Kilkenny County Council for consideration. For the purposes of budget provision, it has been assumed that the gross cost of €800,000 per annum will be split 50/50 between the authorities, and that of the resulting cost of €400,000 per annum for Kilkenny County Council, this will be funded 50% from Revenue Account (€200,000) with the balance of 50% from the new Development Contribution Scheme.

There has not yet been agreement between the Local Authorities on any cost sharing, or indeed on detailed final costs, and in the absence of this, the budgeted 2004 expenditure is illustrative in nature and is intended to start making a meaningful provision towards funding this project.

### **Arts Programme:**

Over the years the programme for the arts in Kilkenny has been strongly supported by Fas through the Community Employment Scheme. This scheme not alone supported personnel but also met a considerable part of the cost of materials. This scheme was withdrawn in June of last year. Kilkenny County Council has presented an expanded programme to the Arts Council for next year. The budget presented reflect these factors. It is important to note that the expenditure level will depend on support from the Arts Council.

### **Tourism Promotion:**

The administration of Kilkenny Tourism's Administration is now carried out by Kilkenny County Council. This arrangement enables Kilkenny Tourism to concentrate its resources directly on its various initiatives. Sustaining and developing tourism is viewed as a very important economic objective. In this context the Local Authorities are supporting a detailed analysis of the current tourism product. This will provide the basis for the preparation of a five year strategy for the development of tourism in Kilkenny City and County. Provision has been made for a €10,000 contribution towards the development of the strategy.

**Sports Partnership:**

Kilkenny County Council is actively working with a number of agencies and broad sporting interests with a view to establishing a Sports Partnership with assistance from the Sports Council. If successful, the partnership will require the services of a Sports Officer. Kilkenny County Council, as a partner, will be expected to contribute to this position. The creation of this position is also an objective of the Recreational Needs Study completed earlier this year. The cost of any contribution isn't specifically budgeted for but should additional resources become available, a contribution will be required.

**Heritage Plan:**

Kilkenny County Council appointed a Heritage Officer in July 2003. Proposals for the establishment of a Heritage Forum were presented to the Council recently. The main objective of the Forum will be the preparation of a Heritage Plan. While the Council receives considerable support from the Heritage Council, some additional costs will be incurred in areas such as consultation, design and printing and these are being provided for.

**Scanlon Park:**

The 2004 Budget of €100,000 is €50,000 (33%) lower than the 2003 budget of €150,000. This reduction is due to the €50,000 annual capital transfer, funded from the income and expenditure account, no longer being required as the capital balance outstanding on Scanlon Park is now cleared.

**Purchase of Books:**

The book fund provided for the library service is well below the target set in the governments policy document "Branching Out". As noted in my report last year, it will not be possible to increase the book fund to the desired levels in a single year. However, provision has been made for an increase of €20,000 (13%) to €170,000 over the 2003 budget of €150,000, and an increase of €56,000 (50%) over the 2002 Budget of €114,000.

Should additional resources become available then a further increase to this budget should be considered.

Library activity levels for 2003 are as follows:

*Number of Issues:*

Books	430,000
Audio Visual (Cassetts, cd's & videos)	<u>20,000</u>
	<u>450,000</u>

*Public Visits* 204,000

*Public hours on internet* 5,000

## PROGRAMME GROUP 8 - MISCELLANEOUS SERVICES

**The Budget for this Programme Group is as follows:-**

*Expenditure €3,881,500*

*Income €713,200*

### **Local Elections:**

A Budget of €20,000 is proposed for the running costs of the 2004 Local Elections.

### **Members Representational Payments:**

With the ending of the dual mandate in 2003, this will lead to an extra three Councillors receiving representational payments in 2004 than was the case in 2003; there is a resulting cost increase of €39,000. In addition, the incremental costs of benchmarking budgeted for 2004 are €36,000. These two factors explain the €75,000 (26%) increase in cost, from €290,000 in 2003 to €365,000 in 2004.

### **Veterinary Services:**

In 2000, a full time Veterinary Surgeon was recruited by the Council to cater for the demands from the various regulations in relation to the Food Safety Authority. There is a 2004 budget of €161,000 for this service which includes inspection of slaughterhouses and employment of part time veterinary officers for full supervision of all non-exporting abattoirs. This expenditure is part funded from a grant of €130,000 from the Department of Agriculture and from abattoirs fees of €15,000. An inter-departmental group is currently reviewing the funding of this service.

### **Dog Shelter:**

Tenders will be invited for the replacement dog shelter at Garryduff, Paulstown in mid December 2003. It is hoped that construction works will commence in February with a view to completion during the Autumn of 2004. The accommodation will consist of Kennels, confined exercise yards, food preparation and storage area, veterinary room, freezer unit, toilets with office accommodation and wash up facilities on the first floor. Sewage facilities are to be a proprietary effluent system. Adequate surfaced car-parking, secure site perimeter fencing and external lighting is also included.

### **Loan Charges – Revenue Deficit & County Hall Loans:**

The refinancing of these existing loans, which the Council approved in late 2002, will save approximately €200,000 per annum. Of this total cost saving, €120,000 had already been recognised in the 2003 Budget; the balance of €80,000 is now being included in the 2004 Budget by reducing the loan charges budget costs to €823,000 from the 2003 budget of €904,000.

### **Overdraft Interest:**

The 2004 overdraft interest budget of €70,000 is a reduction of €40,000 (36%) on the 2003 budget cost of €110,000. This interest cost saving is a result of improved cash flow management with a consequential reduction in overdraft interest cost.

## **CONCLUSION**

In conclusion, I would like to express my thanks and appreciation to the Cathaoirleach, members and staff both indoor and outdoor for their co-operation and assistance during 2003 and I look forward to your continued co-operation during 2004.

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**Michael Malone,**  
**County Manager**