

## Council boss set to look for rates increase to plug gap Politicians told to resist ‘running up the white flag’ in stand-off with Government

Eoghan Dalton Reports

It is understood an increase of around five per cent to commercial rates will be proposed at this Friday's Annual Budget meeting. The rise, which will be brought before Councillors by chief executive Michael Walsh, will be designed to offset the local authority's budget problems. Mr Walsh is calculating that the monies raised will go some way towards plugging the gap created by a revaluation of assets.

He is also understood to be seeking cuts to services and events. The deficit facing Waterford City and County Council (WCCC) is €2 million with roughly €700,000 caused by additional expenses such as payroll.

However the ruling majority on the Council looks set to reject the chief executive's proposals.

Sinn Féin's group leader on the Council, Cllr Conor McGuinness, said the alliance held between his party, Labour, the Green Party and Independents would likely try to return to lobbying the Government and Minister for Housing, Planning and Local Government Eoghan Murphy if the chief executive were to propose a five per cent rates increase.

It is understood Fianna Fáil and Fine Gael Councillors also won't support Mr Walsh's budget proposals.

Last Friday, Minister Eoghan Murphy reportedly confirmed that €2 million would be granted to help the Council resolve the original €3.3 million hole in its finances but Cllr McGuinness has classed the measure as "weak and inadequate". "The Government's offer blatantly ignores the fact that this situation arises because of decisions taken by the confidence and supply government regarding Irish Water, and it doesn't undo the massive cut to the Council's budget," he said. "It is a once-off measure and doesn't take into account the fact that Government are imposing a year-on-year cut of €3.3 million on Waterford."



CEO Michael Walsh.

Cllr McGuinness told this newspaper that passing the chief executive's 2020 budget this Friday would amount to "running up the white flag" by Councillors. A rates increase is being strongly resisted by business groups, with the Dungarvan and West Waterford Chamber of Commerce carrying out a lobbying campaign for the past month ahead of any potential increase.

Meanwhile, the Mayor of Waterford Cllr John Pratt (Lab) is set to write the latest letter to Mr Murphy appealing for funding.

In the correspondence, a draft of which has been seen by the Munster Express, he says the €2 million grant is welcome however: "It would not fully alleviate the negative impact of the massive revenue loss that we are facing through no fault of our own when most other local authorities are looking forward to increases."

He also reminds the Minister that Tánaiste Simon Coveney noted in the Dáil last week that "Waterford would be particularly affected with a loss of 70 per cent of the income it has received from the compensation scheme that is being discontinued so close to budget decision time, which gives us little time to adjust and adapt".

The Mayor further calls on Eoghan Murphy to meet with Councillors in person as they requested at the outset of the controversy.

"We continue to believe that substantive engagement with us is warranted and that a delegation of councillors should meet with you in person to discuss this extremely serious matter," he writes.

If Councillors reject the budget at this Friday's meeting then they will have until mid-December to pass a Budget - or else a commissioner will be appointed by the Government to implement a budget.

Cllr McGuinness called on members of the former Council Pact in Fianna Fáil and Fine Gael to work together with the current ruling majority made up of other parties and Independents.

"My preference would be to see no increase in rates but the Government walked local authorities into this mess and we need to kick the ball into their court," he added. His party colleague Waterford TD David Cullinane said Waterford politicians need to "stand firm" and not accept the cut to the Council budget.

Deputy Cullinane said: "An allocation of €2m for one year only does not address the problem and is a sticking plaster solution." "The decision by the Minister for Local Government to phase the cuts over two years is not a viable solution. It means that over the next two years small and medium sized businesses will see massive hikes in rates while funding for roads, housing maintenance, festivals and other vital services face cuts.

"The Minister needs to fully reverse the €3.3m cut and ensure Waterford Council is operating on a level playing field. Waterford cannot continue to be the poor relation when it comes to this Fine Gael Government." WCCC said it would not be commenting ahead of this Friday's meeting.