

**Minutes of Special Meeting held by Leitrim County Council  
In the Council Chamber, Áras an Chontae, Carrick on Shannon, Co. Leitrim on  
Tuesday 14th April 2009**

**Members Present:**

Brennan, Damian	McDermott, Sean
Bohan, Mary,	McElgunn, Liam
Colreavy, Michael	McGloin, Enda
Dolan, Frank	McGowan, Sean
Ellis, Caillian	O'Rourke, Paddy
Ferguson, Tony	McTernan, John
Guckian, Sinead	Mulligan, Thomas
Hughes, Gordon	Reynolds, Gerard
Kenny, Martin	Stenson Enda

*And Councillor Francis Gilmartin, Leas Cathaoirleach presiding*

**Apologies:**

Jim Joe Shortt  
Gerry Dolan  
Aodh Flynn

**Officials Present:**

Ms. J. Maguire, County Manager  
Ms Mary Quinn, Director of Housing & Corporate Services  
Ms Katrina Murphy, Head of Finance  
Ms. Aideen McGovern, Meetings Administrator

**09/231  
14/4/09**

**Housing Grants**

The Leas Cathaoirleach, Councillor Francis Gilmartin welcomed members to this Special Meeting of Leitrim County Council to consider the financial difficulties in relation to the Housing Grant Schemes. He invited the County Manager to give an overview of the situation in this regard.

Ms. Jackie Maguire, County Manager advised that Ms. Mary Quinn, Director of Services, Housing & Corporate Services would give a detailed overview of the position in relation to the Housing Grant Schemes and the issues arising. She advised however that it is considered that it is necessary to suspend acceptance of housing grant applications with immediate effect. She outlined that this situation is primarily attributable to the financial situation coupled with significantly increasing levels of application activity. She advised that while details of the funding allocation for 2009 are awaited from the Department of the Environment, Heritage & Local Government, the level of payments which can issue in the current year is limited by the level of available own-resources of €300,000. She outlined that this level of match-funding will allow a maximum level of payments in 2009 of approximately €1,300,000.

Ms. Mary Quinn, Director of Services, Housing & Corporate Services outlined details of the budgetary provision in relation to the Housing Grant Schemes together with details of the Council's current financial liability under the schemes. She outlined that

application activity has increased significantly over the past 12 months and particularly in the first quarter of 2009 with a 25% increase in applications submitted. She advised that the average value of grants approved is also increasing. She outlined that, given the downturn in the construction industry applicants are now in a position to get works completed more quickly, with an associated increase in claims for payment of grants. She outlined the current financial position, the level of payment requests processed to date and the anticipated level of additional payment requests under the various grant schemes in 2009. She advised that there is likely to be a significant shortfall in funding in the current year with associated delays in the Council being in a position to issue payments to approved applicants. She advised that there is already significant concern for applicants in relation to the availability of funding. She outlined the possible options and advised that the recommendation is to suspend receipt of applications with immediate effect with some provision to be made for emergency medical cases. She advised that there are over 100 applications currently at various stages of processing and confirmed that it is proposed to process these applications as normal. She advised that the practice of reviewing rates on old grant approvals which are submitted for payment would be discontinued.

Ms. Jackie Maguire, County Manager advised that this recommendation is being made in the interests of fairness and equity to all concerned. She outlined that we must be conscious of expectations. She advised that by continuing to accept and approve applications we are making a commitment to the applicant which we may not be in a position to honour. She outlined that she appreciated that this is a very difficult situation but stated that there is no option but to suspend acceptance of applications with immediate effect.

Councillor Kenny sought clarification in relation to the funding allocation for 2009. Ms. Quinn advised that details of the allocation are awaited from the Department. She advised however that the maximum level of match-funding available, as provided for in the Council's Budget for 2009, is €300,000. She advised that based on this level of match-funding the maximum level of payments that can be facilitated in the current year, irrespective of the level of allocation received, will be approximately €1.3m.

Councillor Colreavy queried whether there is any scope for the sale of Council houses, to build up a reserve to meet the Council's match-funding liability under the Housing Grant schemes. Ms. Quinn confirmed that efforts would continue in 2009 to promote the sale of Council houses with a view to building up the available match funding resources going forward. She advised however that the proceeds from the sale of houses are required to fund other aspects of the housing programme in addition to the housing grants. Ms. Maguire, County Manager outlined that the sale of houses under the Tenant Purchase Scheme is based on the market value of the house with appropriate discounts applied. She advised that there has been a decline in activity under the scheme and the Housing Section will work to ensure people are aware of the scheme and the level of discounts available. She outlined however that the difficulty in many instances is the tenant's own current financial position.

Councillor Hughes queried the likelihood of getting a funding allocation of €1.3m in the current year. Ms. Jackie Maguire, County Manager advised that €1.3m is lower than the 2008 allocation and confirmed that an allocation of this level is expected. She reiterated that, even if a higher funding allocation is notified to the Council, the level of payments that can be made in 2009 will be limited by the level of available own-resources.

Councillor Brennan stated that this is one of the saddest days for the Council and one of the most difficult topics the Council has ever had to discuss. He stated that the housing grants have been of enormous importance to Leitrim and have facilitated a huge amount of very valuable work for a small amount of money. He highlighted the County's high dependency ratio and the importance of these grants in keeping people living in their own homes, particularly in rural county Leitrim. He proposed that all applications currently on hands be processed as heretofore. Where works are already in hands he stated that we must ensure that these grants are paid as soon as possible. He stated that the Council must make every possible effort to protect these Schemes. He outlined that there will be very significant pressure in the current year in relation to meeting payment requests. He outlined that a bigger challenge for 2010, and going forward, is to ensure that we secure a level of match-funding resources through the Tenant Purchase Scheme which must be promoted in whatever way possible. He also suggested that an appeal should be made to the Department in relation to special consideration for Leitrim as regards the match-funding requirements particularly in the context of the county's high-dependency ratio.

Councillor McGowan seconded the proposal that applications on hands be processed based on the existing scheme. He also reiterated the need to promote sales under the Tenant Purchase Scheme to ensure that the Council has a level of match-funding resources available.

Councillor Bohan acknowledged that the Council is in a very difficult situation in relation to funding. She supported the proposal that the applications currently on hands be processed as normal. She outlined that there has been huge uptake under the Housing Grant Schemes in the county over the years. She stated that the schemes have been implemented in a very sympathetic and generous fashion and commended the staff of the Council in this regard. She stated that the monies available have been used to the maximum possible benefit. She acknowledged that the resources are not available to continue to accept and process applications which are being submitted. She stated however that it is critical that there is a mechanism available to deal with emergency cases. Councillor Bohan also queried the position in other counties in relation to these schemes. Ms. Quinn, Director of Services advised that most counties operate on the basis of a scheme of priorities. She advised that a number of counties had suspended the introduction of the new grant schemes until such time as the backlog under the Essential Repairs and Disabled Persons Grant Schemes had been cleared. She advised that a number of counties implement a closing date and then process applications on the basis of priorities. She advised that Roscommon County Council had suspended acceptance of grant applications for a period in 2008.

Councillor Bohan stated that it is critical that we are honest with applicants. She also stated that it is critical that there is no mis-information in relation to the situation. She stated that applicants should be advised that they will be paid their grant but that the Council is not in a position to know how soon payment can be made. She stated that it is critical that the situation is kept under ongoing review. She stated that the Council must also ensure that we have a level of own-resources to fund the scheme in 2010 and future years by promoting the Tenant Purchase Scheme.

Ms. Jackie Maguire, County Manager confirmed that where the Council have issued approvals we are committed to paying those grants. She advised that the issue which may arise however is that payment may not issue as quickly as it has in the past. She confirmed that provision will be made to deal with medical emergencies. She

stated that Leitrim County Council has been very generous in how we have dealt with the Housing Grants. She outlined that due to the economic and financial situation we must be honest with people and must not enter into further commitments at this point that we will not be in a position to honour.

Councillor Reynolds stated that this is a very difficult decision for all the members. He stated that it is critical that provision continue to be made to deal with medical emergency cases. He stated that the Housing Grants have represented the best value for money ever spent by Leitrim County Council. He stated that the Government should look at local authorities who have spent so much money wisely, facilitating so many people in staying in their own homes. He stated that it is very short-sighted of the Department to require matching funds under the schemes. He stated that the schemes represent value for money, look after the most vulnerable and would greatly assist contractors, suppliers etc who are now depending largely on such schemes for their livelihood. He suggested that it may be worth writing to the Department suggesting that they should look at what they could save by allowing the scheme to continue without the match funding requirement.

Councillor Stenson stated that this is an extremely difficult decision. He stated that the Housing Grant Schemes have been one of the most important and valuable schemes in operation. He stated that suspending the scheme is an extremely sad day. He queried what impact the suspension of the scheme will have on the staff dealing with these schemes. Ms. Jackie Maguire, County Manager advised that this is a temporary suspension of the scheme. She advised that applications currently in the system will be processed and there will be ongoing activity in relation to payment requests and associated inspections etc. She advised that the position would be kept under ongoing review.

Councillor McGloin outlined that he understood that Cork County Council had suspended the Housing Grant Schemes in October 2008. He stated that the reality is that we must look at some option of trying to get the Government to look at the whole funding issue. He also stated that it is an unacceptable situation to not have received notification of the funding allocation for 2009 at this stage of the year. He reiterated the need for a pro-active approach to encouraging purchases under the Tenant Purchase Scheme.

Councillor McDermott stated that this is a dark day for Leitrim County Council and expressed the hope that the suspension will be short-term. Councillor Mulligan stated it is a very difficult decision. He stated that it is important to be very clear that this situation has not arisen as a result of any mis-management. He stated that the schemes have operated fantastically and the commercial benefit has been enormous. He outlined the savings to the exchequer achieved through the scheme in allowing people to stay in their homes.

Councillor Ellis concurred with all that had been said. He stated that the most vulnerable and small builders are being hit. He said that it is a shame that people may have to wait for payment in respect of work carried out. Councillor O'Rourke stated that the Housing grant schemes have become a victim of their own success. He stated that there are very few counties where the schemes have been administered so successfully. He stated that having to suspend acceptance of applications is a very difficult decision but welcomed that applications currently in the system will be processed.

Councillor McTernan also concurred all that had been said and suggested that additional funding should be sought from the Department. Councillor Guckian outlined that all members are of the same view in relation to the very difficult decision which has had to be made. She stated that complete transparency is required for existing and prospective applicants. She stated that there is consensus that existing applications on hands must be processed as normal and provision must be made for emergency medical cases. She requested that a quarterly report be brought to the members in relation to the position on the housing grants.

Councillor Ferguson conceded that this is a very difficult decision for members but stated that the Council have made the decision in a proactive way. He stated that the schemes have been well administered in Leitrim and have served a very good purpose. He stated that those that have applied under the schemes will be treated fairly and this sends out a good message. He stated that the suspension in acceptance of applications is to be fair and upfront and this is the way we must go forward. He stated that a quarterly review will give the members the opportunity to reintroduce the scheme in the shortest possible timeframe. He commended the staff involved in administering the scheme and the level of detail presented to the members to inform the difficult decision which has had to be made.

Councillor Gilmartin, Leas Cathaoirleach stated that the problem is specifically a financial one. He stated that it is a very sad day for Leitrim County Council and comes on top of the suspension by the Department of Community, Rural and Gaeltacht Affairs of the grants for neck pendulums, smoke alarms and door & window locks and chains. He proposed that a letter issue to the Department of the Environment, Heritage & Local Government requesting that they introduce a new scheme to encourage tenants to purchase their own homes. He proposed that a letter also issue to the Department of Community, Rural & Gaeltacht Affairs requesting that their grant scheme be reintroduced. This was seconded by Councillor Stenson.

Councillor Brennan proposed that a meeting be sought with the Department of the Environment, Heritage & Local Government requesting a derogation for Leitrim, on a pilot scheme basis, in relation to the requirement to provide match funding under the Housing Grant Schemes. This was seconded by Councillor Bohan.

Councillor Gilmartin in concluding the meeting summarised the position in relation to Housing Grants as follows:

- Acceptance of applications under the Housing Grant Schemes will be suspended with immediate effect.
- All applications on hands as at 14<sup>th</sup> April 2009 will be processed as normal.
- Provision will be made to deal with emergency medical cases on an ongoing basis.
- Approved applicants under the new Housing Grant Schemes will be advised of the financial position and the possibility that there will be a delay between request for payment and the Council being in a position to issue payment.
- The situation will be kept under ongoing review.
- The Department will be requested to consider a special case/pilot programme for Leitrim in relation to the requirement for match-funding under the schemes.

This concluded the business of the meeting.

**Francis Gilmartin** \_\_\_\_\_  
**Cathaoirleach**

**Aideen McGovern** \_\_\_\_\_  
**Meetings Administrator**

**Date: 11<sup>th</sup> May 2009**