

Ms Anne O'Keeffe,
Director,
OLAM,
County and City Managers' Association,
35-39 Ushers Quay,
Dublin 8.

20 December 2007

Dear Anne,

I refer to your letter of 11 December in relation to the provision for various aspects of water services arising from the budget.

The Minister has notified record levels of general purpose grants for local authorities for 2008. He has allocated some €999.2m, an increase of €51.5m, or 5.4%, over the amount provided for 2007. In addition to these general purpose allocations, the Minister will be allocating €23.4 million as a direct contribution to local authorities in relation to the costs associated with the operation and management of water services. Details of that allocation will be announced as soon as possible.

As you are aware, the bulk of the funding provided to local authorities from the Fund is through general purpose grants. In order to ensure that the level of general purpose grant increase for 2008 will, on average, match inflation, the Minister has recently announced increases in motor tax rates which will take effect in February 2008. It is of course, a matter for each local authority to assign

its general purpose grant between the services, including water services, that it provides.

The Minister for Finance has announced a 2008 provision of €471m for water services in his Budget speech. This represents an improvement of more than €44m on the opening position for 2008 as compared to 2007.

I trust this will clarify the position.

Best wishes,

Yours sincerely,

Tom Corcoran
Assistant Secretary