

# WHO GETS THE BIGGEST SLICE?

An analysis of council budgets ahead of the 2024 local elections\*

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At the end of every calendar year, our local authorities budget for the following fiscal year. 2024 is no different but as it is an election year more attention should be given to these local budgets.

**A**fter analysing all 31 budgets, we can now present here the most important takeaways for Budget 2024. A summary of the spending and income data for the 31 local authorities is provided in the tables featured in this article.

### Local Authority Spending

Total budget spend for 2024 is €7.4bn, or just over €1,400 per person, nationally. This is the largest revenue budget ever, and exceeds the 2023 figure by 10%, an amount in excess of the forecast inflation rate. For comparative purposes, after the 2008-09 economic crisis and the austerity era that followed, local authority spending was at its lowest level in the years 2014-15, at €4bn per annum. By 2019, prior to the COVID-19 pandemic and the local elections of that year, the total day-to-day spend had increased to €5.2bn.

In contrast, central government spending this year is estimated to be €84bn, or over eleven times local government spending. This reflects the highly centralised nature of the Irish State, where the remit of local government is very limited. Despite the recent increases in the local authorities' budget, only about 8% of current public spending is by local government. This is one of the smallest shares amongst member states of the EU or OECD, revealing a preference in Ireland for very low levels of fiscal decentralisation.

Given that the economic rationale for local government is to represent differences in local conditions and voters' preferences, expenditure per person varies widely across the 31 local authorities (see 1A). The highest spend per person is in the four Dublin local authorities (€1,590) and in some small rural councils such as Leitrim County Council (€1,494) and Longford County Council (€1,492). As was the case five years ago at the last local elections, Kildare County Council (€955), Meath County Council (€945), and Galway County Council (€895) have the lowest spend per person. Although narrowed by equalisation grants from central government, these differences reflect both local circumstances and political choices.

Since the last local elections, the increase in local government budgeted expenditure nationwide is 43% (see 1B). Whereas some councils saw a change less than inflation - the smallest increases all in the West of the country, by Roscommon County Council (32%), Donegal County Council (27%), and Sligo County Council (17%) - others recorded changes greater than inflation, with the largest increases by Louth County Council (62%) and Meath County Council (68%). Whereas Sligo County Council's relatively small increase is explained by its precarious financial position, at the other end of the scale Meath County Council's relatively large increase can be explained as it came from a relatively low base i.e. it had the lowest spend per person in 2019, at only €635. At a more granular level, the increase in expenditure on housing by the 31 local authorities during this five-year period is 66%, when inflation as measured by the Consumer Price Index (CPI) was running at about 20%. This reflects the importance of the housing issue, not just for local authorities but also central government and society at large.

In terms of the functions of local government, of the eight expenditure divisions listed in the annual budget, spending on Housing & Building, and Road Transportation & Safety together account for 57% of the total estimated budget. This covers maintenance of local authority housing (including traveller accommodation), housing supports (via HAP and RAS programmes), homeless services, upkeep of local and regional roads, public lighting, traffic management, road safety and others. Given the current housing crisis and the primary role that local authorities have in providing housing services, the high level of expenditure on housing is not surprising. While aggregate spending on housing by the 31 local councils is about 38% of total day-to-day spending, the range is very wide (see 1C). In the high-density urban councils (e.g. Dublin and Galway City Councils) expenditure on housing accounts for over 40% of recurring spending whereas in some of the more rural councils (e.g. Donegal, Monaghan, and Roscommon County Councils) it is less than 15% of the budget spend.

### Local Authority Income

The increase in expenditure by the local authorities was largely financed by big increases in grants & subsidies from central government. During the period 2019-2024, central government grants to the local authorities increased by a whopping 85% (in nominal terms). Mainly specific-purpose grants, these paid for a plethora of local authority services, and once again, primarily in housing and roads. Expressing central government grants per local authority resident, the variation is large, from highs of €920, €879, and €871 to Leitrim County Council, Longford County Council, and Monaghan County Council respectively, to lows of €421, €409, and €363 for Cork City Council, Kildare County Council, and Meath County Council, respectively (see 2A).

After central government grants, the second most important source of funding for local government is commercial rates, namely a tax on (the occupier of) commercial and industrial property. Partly reflecting the differences in commercial and economic activity across local authorities, this tax is known as the Annual Rate on Valuation (ARV). In 2024 it ranges from a high of over 0.27 by South Dublin County Council, Dublin City Council, Limerick City & County Council, and Waterford City & County Council to a low of less than 0.20 by Westmeath County Council, Meath County Council, and Fingal County Council (see 2B). Ratepayers in councils with a relatively high ARV might wonder if they are getting better or improved services for their higher rates bill. It is important to remember that rates are used to balance the adopted budget as is required of Irish local authorities and municipalities worldwide, as a budgetary rule to prevent profligate spending and ensure fiscal discipline.

What may come as a surprise to taxpaying households, a much less sizeable source of income for local authorities is the annual tax on (the owner of) residential properties, in the form of the Local Property Tax (LPT). In total, the LPT accounts for only 7% of total local authority revenue. Once again, there is a

wide variation in the LPT share of total income across local authorities, with rural local councils relatively more reliant on the LPT/equalisation payment than the larger urban councils (see 2C). For example, whereas Leitrim, Roscommon, Sligo, Longford, Donegal, and Monaghan County Councils have LPT/total income shares of 15% or higher, in Galway City Council and the four Dublin local authorities the LPT/total income share is 5% or lower.

In terms of the LPT rate, as in previous years the big difference is between the four Dublin local authorities that continue to cut the annual rate and the majority (22 of 27) of the other local authorities that use their taxing powers to increase the LPT rate annually, and in many cases (12 of 22) by the maximum permissible amount of 15%. The years 2023-24 also saw changes to the LPT system, including a move from the 80% retained / 20% pooled to 100% retention, and a new funding allocation model with an increase in the LPT baseline of €75m, to €428m.

As the local elections approach and candidates knock on doors and canvas on social media, it is time to inform ourselves of the key spending and tax decisions taken at local authority level. The outcome of these decisions is reflected in the local authority budgets. Budgets are valuable statements and deserve our attention between now and the local elections this summer. In the meantime, we encourage you to check our [www.localauthorityfinances.com/](http://www.localauthorityfinances.com/) website to find the 2024 budgetary data, disaggregated by council, services, and revenue sources. There, voters can see how local councils spend tax revenue and grant income. After all, the purpose of elections is to decide how taxes should be spent on public services. The 2024 local elections will be no different.

\*A shorter version of this article was published as a RTÉ Brainstorm piece in February. It can be viewed [here](#).

**Table 1 Local Authority Spending, 2024**

Council*	1A Spending per person, €	Council**	1B 2019-2024 spending change, % increase	Council*	1C Housing spend/ total spend, %
Dublin^	1,590	Meath	68	Dublin^	42
Leitrim	1,494	Louth	62	Galway City	41
Longford	1,492	Clare	59	Kildare	37
Mayo	1,461	Laois	58	Louth	37
Clare	1,457	Kildare	57	Wicklow	36
Waterford	1,439	Wicklow	56	Cork City	34
Galway City	1,438	Carlow	54	Meath	31
Tipperary	1,395	Longford	54	Carlow	31
Monaghan	1,373	Fingal	53	Laois	29
Kerry	1,348	DLR	50	Wexford	27
Cork City	1,303	Monaghan	48	Westmeath	27
Cork County	1,273	Kerry	47	Kilkenny	24
Carlow	1,255	Mayo	46	Waterford	23
Laois	1,239	Tipperary	45	Kerry	23
Louth	1,229	Leitrim	44	Cork County	21
Westmeath	1,124	Galway County	44	Sligo	21
Cavan	1,120	Offaly	43	Tipperary	20
Donegal	1,111	Wexford	40	Clare	20
Sligo	1,090	Westmeath	40	Longford	19
Roscommon	1,074	Kilkenny	39	Offaly	18
Kilkenny	1,067	South Dublin	39	Mayo	16
Wicklow	1,028	Dublin City	38	Cavan	16
Offaly	1,027	Galway City	38	Galway County	15
Wexford	1,002	Limerick	37	Leitrim	15
Kildare	955	Cavan	37	Donegal	13
Meath	945	Waterford	34	Monaghan	13
Galway County	895	Roscommon	32	Roscommon	12
<b>All 31 Councils</b>	<b>1,437</b>	Donegal	27	<b>All 31 Councils</b>	<b>38</b>
		Sligo	17		

**Table 2 Local Authority Income, 2024**

Council*	2A Central government grants per person, €	Council**	2B ARV	Council*	2C LPT share of total income % ^^
Leitrim	920	Waterford	0.2891	Leitrim	20
Longford	879	Limerick	0.2797	Roscommon	17
Monaghan	871	Dublin City	0.2770	Sligo	16
Tipperary	809	South Dublin	0.2760	Longford	15
Mayo	788	Carlow	0.2700	Donegal	15
Laois	734	Wexford	0.2530	Monaghan	15
Waterford	726	Longford	0.2521	Offaly	14
Carlow	670	Kerry	0.2450	Cavan	14
Clare	624	Monaghan	0.2445	Tipperary	12
Cavan	623	Leitrim	0.2436	Kilkenny	12
Louth	619	Sligo	0.2415	Westmeath	12
Westmeath	603	Clare	0.2390	Galway County	12
Dublin^	577	Mayo	0.2350	Carlow	12
Kerry	546	Donegal	0.2320	Waterford	12
Sligo	542	Kildare	0.2268	Mayo	11
Cork County	540	Roscommon	0.2250	Laois	11
Offaly	538	Laois	0.2217	Wicklow	11
Roscommon	535	Cavan	0.2211	Wexford	10
Galway City	505	Offaly	0.2198	Kildare	9
Kilkenny	501	Louth	0.2191	Meath	8
Donegal	494	Galway City	0.2170	Kerry	8
Wicklow	477	Wicklow	0.2170	Louth	7
Wexford	437	Galway County	0.2087	Cork City	6
Galway County	436	DLR	0.2077	Clare	6
Cork City	421	Kilkenny	0.2060	Cork County	6
Kildare	409	Tipperary	0.2015	DLR	5
Meath	363	Westmeath	0.1940	Galway City	5
<b>All 31 Councils</b>	<b>664</b>	Meath	0.1938	Fingal	3
		Fingal	0.1796	South Dublin	3
		<b>Average (mean)</b>	<b>0.2323</b>	Dublin City	2
				<b>All 31 Councils</b>	<b>7</b>

Source: 31 Annual Adopted Budgets 2024

\* Limerick City & County Council is not listed in this column as it operates HAP on behalf of all 31 Councils

^ The four Dublin local authorities are combined due to the shared services between the four Councils

\*\* Cork City Council and Cork County Council are not listed in this column due to the 2019 boundary change, and the incompleteness of the rates revaluation

^^ The LPT amounts here include any equalisation grant to and any local adjustment by a local authority

Note: DLR = Dún Laoghaire-Rathdown