

9<sup>th</sup> December, 2024

**TO ALL MEMBERS OF DONEGAL COUNTY COUNCIL**

The Adjourned Budget Meeting of Donegal County Council will recommence on Thursday 12<sup>th</sup> December, 2024 at 3pm in the Council Chamber, County House, Lifford. Documents can be accessed in the Budget 2025 meeting folder on eCouncil.

An online link to join the meeting will issue separately.



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Patsy Lafferty  
Meetings Administrator

**MINUTES OF ADJOURNED BUDGET MEETING OF DONEGAL COUNTY COUNCIL  
HELD ON 12<sup>TH</sup> DECEMBER, 2024 IN THE COUNTY HOUSE, LIFFORD**

C/441/24

**MEMBERS PRESENT**

Cllrs N Kennedy, Cathaoirleach, M Boyle, C Brogan, J Brogan, P Canning, B Carr, D Coyle, T Crossan, T S Devine, A Doherty, M Farren, N Jordan, D M Kelly, M McBride, M Mc Clafferty, M McDermott, P McGarvey, P McGowan, M McMahan, G McMonagle, D Meehan, A Molloy, and J Murray.

*Online:* Cllrs J Beard, L Blaney, F Bradley, A Doherty, A Farren, J Kavanagh, M C Mac Giolla Easbuig, F McBrearty, M Mc Bride, D McGee, D Nic Mheanman, and M Scanlon.

*Apologies:* Cllrs. B Carr, G Doherty, M Harley.

C/442/24

**OFFICIALS IN ATTENDANCE**

John G McLaughlin, Chief Executive, Patsy Lafferty, Director of Housing & Corporate/Meetings Administrator, Bryan Cannon, Director of Roads & Transportation, Richard Gibson, Director of Finance, Garry Martin, Direction of Economic Development, Information Systems & Emergency Services, Michael McGarvey, Director of Water & Environment, Liam Ward, Director of Community Development & Planning Services, Eunan Quinn, Senior Planner, Tanya Kee, Management Accountant, Lauren Badham, Administrative Officer, Róise Ní Laifeartaigh, Rannóg na Gaeilge, Dónall Mac Giolla Choill, Tacaíocht do Sheirbhísí Aistriúcháin, Anne Marie Crawford, Staff Officer.

C/443/24

**CONSIDERATION OF DRAFT REVENUE BUDGET 2025**

The Cathaoirleach welcomed members, members of the public and the media to the meeting. She thanked the Director of Finance and his team for taking on board the concerns raised by members and acknowledged the fact that the Chief Executive and the Director of Finance had made themselves readily available for consultation over the past number of days. By and large she noted the majority of queries and concerns had been addressed and a number of items not directly related to the 2025 budget would be dealt with outside of the budgetary process.

She alluded to the fact that this was the biggest budget spend ever amounting to approximately €200m. Members, she said, had raised concerns in relation to the initial proposed rates increase. The Executive, it was acknowledged, had listened to these concerns, and had worked tirelessly and painfully to cut €1.5m euro thus providing for a zero increase in rates. The recent rates revaluation, she said, had impacted many small businesses and enterprises and there had been general agreement that these needed support and assistance going forward. She said that a new set of revised budgetary proposals would have to be considered and that these provided for an overall increase in expenditure for 2025 of €13.3m

with total expenditure estimated at €199m. Overall, she said that there was a significant increase in expenditure with increases in areas such as housing, roads, tourism development/management & environment together with a number of other important services. This, she said, had been achieved without any increase in commercial rates. Balancing the 2025 budget, it was noted, required several adjustments and that these amounted to €1.88m. It was confirmed that an adjustment of €331,113 had been made in respect of commercial rates given that the bad debt provision had now reduced significantly because of commercial rates remaining at their current level.

Further adjustments amounting to €1,505,081 it was confirmed would also be put in place as agreed by the Executive and the Group leaders within the elected Council. She thanked all concerned for their input and confirmed that a summary of the adjustments outlined above would be made available.

On the proposal of Cllr Kennedy, seconded by Cllr C Brogan it was resolved to adopt the amended budgetary proposals incorporating expenditure adjustments of €1.88m for the 2025 financial year.

Cllr Brogan thanked the Cathaoirleach, Executive and all his colleagues for their support. He acknowledged the fact that there had been constructive cross-party engagement all of which had helped to identify the needs of the county and the priorities going forward.

Approximately €200m in expenditure, he advised, represented a significant investment. He was, he said, pleased that there had been recognition of the challenges and difficulties facing the business community especially in the aftermath of the recent revaluation of properties. It was, he confirmed, about addressing the basic bread and butter issues and ensuring that adequate resources were in place to meet the needs of the people of Donegal. He alluded to the fact that concerns had been raised in relation to the process in the Machinery Yard and welcomed the fact that the recent presentation to the recent VFM committee meeting had indicated that there would a review in relation to a number of areas of efficiency. This, he said, was the first budget for the new Council and it was important to acknowledge the level of cross-party input.

Cllr Mc Monagle said that this was a positive budget and that the allocations made to the various services would allow small businesses and the retail sector to flourish. He commended the Director of Finance and his team for listening to the members concerns. The Sinn Féin grouping, he confirmed, fully supported the proposals as this was the way forward and would allow several capital projects that were in the pipeline

to come to fruition. He acknowledged the fact that a number of concerns in relation to overall efficiencies had been addressed by the VFM Committee and that additional presentations were to be provided in the New Year. The overall process had been robust, he contended, and the ongoing level of discussion all contributed to ensuring that the best facilities were in place for the people of Donegal.

Cllr M Farren outlined his support and welcomed the fact that there had been no commercial rates increase. The business community, he noted, faced many challenges going forward and many could not sustain an increase in their rates liability. He said that he was appreciative of the fact that there was ongoing funding for the ferry services.

Cllr Meehan welcomed the fact that there had been engagement with members over the past number of days. He said that a copy of the budget amendments should have been presented to all members in the interest of transparency. It was important, he added, going forward that the powers available to the elected members were looked at and everything possible done in terms of introducing an applicable scheme that could be utilised to protect small and vulnerable businesses in 2025. This budgetary process, he noted, clearly highlighted the fact that there were challenges in terms of securing the revenue needed to finance capital projects. This, he contended, could possibly necessitate a rates increase in the future and thus adequate protection for the small business and retail sector was warranted.

Cllr J Brogan welcomed the fact that commercial rates had not been increased but expressed disappointment that a full breakdown of how this had been achieved had not been presented.

Cllr Kavanagh said that the revised proposals sent out a positive message to small businesses and welcomed the fact that the amendments had been made without any major reduction in services. He was, he said looking forward to seeing a number of capital projects come to fruition and noted in particular the derelict buildings initiatives and the ongoing efforts to rejuvenate our towns and villages.

Cllr Mc Bride welcomed the decision to pass the 2025 budget. It was encouraging, he added, to see the budgetary provision increasing year on year and to be able to send out a positive message to all those small businesses who are struggling. He said that the extra allocation of €2000 per member in respect of the Members Development Fund was a step in the right direction. He cited the need to look at the overall value for money aspect and to carry out an assessment of the top twenty spend items with a view to identifying areas where savings could be made.

Cllr Mc Brearty contended at this juncture that the Cathaoirleach in proposing the 2025 budget had not acted in an independent manner. He was, he advised, also concerned that the Cathaoirleach had taken part in a meeting with the Chief Executive and the Director of Finance arranged to discuss his own queries in relation to legal services and fees. This was not, he contended, the biggest budget ever presented and was less than some of those delivered in the Celtic Tiger years.

He queried the value for money in paying out exorbitant legal fees given that €2.5m had been paid out in respect of legal services in the first nine months of 2024. He said that he believed that an independent investigation was warranted into Donegal County Council finances, particularly in relation to debt accumulated during the Celtic Tiger period. He also referenced the fact that the pending Colman Legal cases could potentially bankrupt the Council unless assistance was provided at national level. The real issues, he contended, were being kept hidden and now €1.5m had been found to prevent a rates increase. The budget, he added, had been passed without an input from all the elected members thus lacking transparency and demonstrating the fact that the members did not hold the executive to account.

Cllr Beard welcomed the decision not to increase commercial rates and asked for clarification in relation to the following:

- That legal fees associated with Donegal County Council defence in the Colman legal case are not being drawn from this budget.
- Whether the costs referenced above are being covered by central government.

She expressed concern in relation to the lack of support for defective concrete block affected families and the fact that many aspects of this crisis were not being sufficiently addressed.

Thus, she said she was not in a position to support the budgetary amendments. Cllr Devine concurred with this assessment.

Cllr Mac Giolla Easbuig expressed disappointment that the budgetary amendments had not been circulated. It was evident, he said, that there was a cosy arrangement among the political parties and that it was a case of rubber stamping the budget similar to the adoption of the Local Property Tax. People, he advised, were struggling to make ends meet and there was a clear lack of investment in the Islands, roads, housing etc in the Glenties Municipal District. This, he said, was clearly not a fully inclusive council as evidenced in the fact that specific members had been excluded from the negotiations. He said that as a result he could not support the amended budget proposals.

The Chief Executive said that the Director of Finance would provide an overview of the amendments and that the required resolutions would then be presented to the meeting by the Meetings Administrator.

Details of the revised adjustments were circulated on eCouncil.

Mr Richard Gibson informed members that the reduction in the budget was in the region of €1.88m and that the changes in the commercial rates base naturally returned just over €300,000 given that the bad debt provision is reduced in line with a reduction in commercial rates. Discussions with the members, he stated, over the past number of days had centred around the remaining €1.5m. He gave an overview of the applicable expenditure adjustments per service division and outlined the implications for the forthcoming financial year. These, he added, reflected in total the €1.88m reduction in the 2025 budget arising from discussions with members and the senior management team.

Cllr Mc Brearty on a point of clarification asked at what meeting the amendments as outlined had been agreed and contended that he had not been given an opportunity to have an input into the adjustments despite the fact that he had been elected with the same mandate as all other elected members.

The Cathaoirleach advised that an invitation had been extended to Cllr Mc Brearty at the previous meeting to meet with the Chief Executive and the Director of Finance and that this had taken place.

Mr Patsy Lafferty, Meetings Administrator read into the record the required resolution for the adoption of the scheme for the abatement of rates.

On the proposal of Cllr C Brogan, seconded by Cllr Mc Dermott it was resolved that,

*“That Donegal County Council make a scheme for the abatement of rates due to it by liable persons, or classes of liable persons, in respect of vacant properties in accordance with the provisions of Section 9 of the Local Government Rates and Other Matters Act 2019, as amended.*

*Such a scheme in respect of vacant property will provide for an abatement of 100% of rates due to Donegal County Council by a liable person for the financial year ended 31<sup>st</sup> December 2025.”*

He proceeded to read into the record the resolution in respect of the adoption of Early Incentive Payment Credit (EPIC).

On the proposal of Cllr Mc Monagle, seconded by Cllr M Farren it was resolved that,

*“That Donegal County Council, in accordance with Section 66 of the Local Government Act 2001 (as amended), adopt for the financial year ended 31st December 2025 and Early Payment Incentive Credit Scheme (EPIC).*

*The Early Payment Incentive Credit Scheme will allow businesses to avail of a 7.5% reduction on their 2025 Commercial Rates Liability, to a maximum of €375, when paying their Commercial Rates liability in full by the 31st October 2025. The entitlement will be applied as a credit against the business’s Commercial Rates liability for 2026.”*

The Meetings Administrator then read into the record the required resolution for the adoption of the 2025 Budget and the Annual Rate on Valuation.

On the proposal of Cllr Mc Monagle, seconded by Cllr Crossan it was resolved that,

*“Donegal County Council, in accordance with Section 103 of the Local Government Act 2001 (as amended), adopt for the financial year ended 31st December 2025 the Budget set out in Tables A and B, subject to the amendments listed below, resulting in an Annual Rate on Valuation of 0.232 as shown in Table A, subject to Section 10 of the Local Government (Financial Provisions) Act 1978 and hereby adopted in accordance with Section 3 of the Local Government Rates and Other Matters Act 2019.”*

**Summary of Reduction as per Table A**

	<b>Draft 2025</b>	<b>Adopted 2025</b>	<b>Difference</b>
Expenditure	200,793,949	198,910,781	(1,883,168)
Income	200,793,949	198,910,781	(1,883,168)

### Summary of Adjustments

Service Division	Code	Description	Estimated by Chief Executive	Expenditure Adopted by Council	Net Change
A	A01	Maintenance/Improvement of LA Housing Units	9,001,755	8,951,755	50,000
B	B02	NS Road - Maintenance and Improvement	1,501,512	1,361,512	140,000
B	B04	Local Road - Maintenance and Improvement	19,039,197	18,999,197	40,000
C	C04	Public Conveniences	577,716	561,716	16,000
D	D01	Forward Planning	1,426,508	1,406,508	20,000
D	D05	Tourism Development and Promotion	2,410,283	2,399,783	10,500
D	D06	Community and Enterprise Function	6,707,962	6,685,462	22,500
D	D09	Economic Development and Promotion	6,145,682	6,142,982	2,700
D	D11	Heritage and Conservation Services	931,327	881,327	50,000
D	D12	Agency & Recoupable Services	342,270	340,270	2,000
E	E02	Recovery & Recycling Facilities Operations	1,176,608	1,166,608	10,000
E	E11	Operation of Fire Service	11,345,511	11,341,511	4,000
F	F02	Operation of Library and Archival Service	5,658,715	5,608,715	50,000
F	F03	Outdoor Leisure Areas Operations	2,240,434	2,190,434	50,000
F	F05	Operation of Arts Programme	2,237,431	2,227,431	10,000
H	H03	Administration of Rates	9,091,970	8,713,884	378,086
H	H11	Agency & Recoupable Services	7,942,527	6,950,145	992,382
J	J05	Human Resources Function	2,394,919	2,364,919	30,000
J	J03	Information & Communication Technology	4,567,093	4,562,093	5,000
<b>Total Expenditure</b>					<b>1,883,168</b>



### **Summary of Income Adjustments**

<b>Service Division</b>	<b>Code</b>	<b>Description</b>	<b>Income by Chief Executive</b>	<b>Income Adopted by Council</b>	<b>Net Change</b>
RA	RA	Rates	41,600,783	39,717,620	1,883,163
H	H11	Agency & Recoupable Services	22,351,210	22,351,205	*5
				<b>Total</b>	<b>1,883,168</b>

*\*Balancing Figure*

C/444/24

#### **THREE YEAR CAPITAL BUDGET 2025-2027**

Members considered the report circulated with the agenda in relation to the above.

Mr Richard Gibson, Director of Finance noted that the report on the Three Year Capital Programme 2025-2027 had issued on the 25<sup>th</sup> November and contained considerable detail in relation to the roll out of same over the next three years. He provided an overview of the programme and stated that it had been prepared in accordance with Section 135(3) of the Local Government Act 2001 (as amended). It was prepared, he said, on the basis of funding currently available, or expected to be available and based on the best estimates of anticipated costs for the various capital projects in respect of the period outlined above. Cognisance was also taken, he advised of the information available at the time and the measures proposed by the authority to raise funding itself. The report, he added, reflected estimated expenditure of circa €1,885,451,771 with €417,864,691 estimated for the 2025 financial year. It was unlikely, he said, that the €1.88 billion would be spent but that the figure provided for a number of projects and aspirations which it was hoped to pursue over the period and in the coming years subject to the availability of funding.

The majority of funding it was noted was in the area of housing with €123m estimated to be spent in 2025. Road's expenditure, it was noted, was to be in the region of €49m with considerable expenditure also planned for estate takeover, unfinished estates, waste management and other standalone projects funded under URDF and RRDF schemes etc. The actual amount of capital expenditure in the lifetime of the previous council was confirmed to be over half a billion euro, rising from €88.8m in 2019 to €161.6m in 2023 with an estimated expenditure of over €150m predicted for 2024. It was noted that there was a considerable increase in

the value and range of capital works all of which had increased significantly over the past ten years. The figures presented today, he advised, were projected and the value could increase or decrease depending on the availability of funding and the prevailing rate of inflation. What was clear, he said, was that there was a vast increase in the level of works and projected ambitions for this council.

Members, he said, were required to consider Three Year Capital Programme 2025-2027 in accordance with Section 135(3) of the Local Government Act 2001 (as amended) taking into consideration the level of resources available, the financial position of the local authority and on the basis of the information available with regard to the ability of the authority to raise funding.

On the proposal of Cllr Brogan, seconded by Cllr Mc Monagle, the Donegal County Council Three Year Capital Budget 2025-2027 was adopted in accordance with Section 135(3) of the Local Government Act 2001 (as amended).

The Cathaoirleach thanked members for their co-operation and involvement in the process.

Following a request from Cllr Mc Monagle, he was informed that a plenary workshop to discuss a range of housing issues raised by the Letterkenny/Milford members would be held week beginning 16<sup>th</sup> December 2024.

The Chief Executive thanked members for their participation and said that the ongoing collaboration between members and the executive ensured that projects were identified and delivered. He acknowledged the work carried out by the Director of Finance and his team and all who had been involved in the budgetary process. It was critical, he said, that the people of Donegal got the services they needed now and into the future.

Concluding he acknowledged the assistance provided by the Cathaoirleach throughout the budget process.

This concluded the business of the meeting.

Cathaoirleach: \_\_\_\_\_

Dated: \_\_\_\_\_