

**COMHAIRLE CHONTAE DHUN NA nGALL**

Oifig Riarthóir na gCruinnithe  
Aras an Chontae  
LEIFEAR

23 Feabhra 2010

**DO: GACH BHALL DEN CHOMHAIRLE**

Beidh Cruinniú Speisialta den Chomhairle ar siúl Dé Luain 1 Márta , 2010 ag 10.00 r.n. le plé a dhéanamh ar na hábhair atá sa Chlár leis seo.

**Mise, le meas**

**A. MacSuibhne**  
**Riarthóir Cruinnithe (RÚNAI CHONTAE)**

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**DONEGAL COUNTY COUNCIL**

Office of Meetings Administrator  
County House  
LIFFORD.

23<sup>rd</sup> February, 2010

**TO: EACH MEMBER OF THE COUNCIL.**

A Special Meeting of Donegal County Council will be held on Monday 1<sup>st</sup> March, 2010 at 10.00am in the County House, Lifford to consider the attached agenda.

You are summoned to attend this meeting.

**Yours sincerely**

**E. Sweeney**  
**Meetings Administrator**

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## AGENDA

1. Review of 5 Year Capital Expenditure 2005-2009 (including DCS) and the preparation of priorities for the Three Year Capital Programme 2010-2012.
2. To consider the Manager's response to the Local Government Auditor's Report for 2008.

MINUTES OF SPECIAL MEETING OF DONEGAL COUNTY  
COUNCIL, HELD IN THE COUNTY HOUSE, LIFFORD ON 1<sup>ST</sup>  
MARCH 2010

- C/146/10    MEMBERS PRESENT  
Clrs. B. Byrne, Mayor, D. Alcorn, L. Blaney, J. Boyle, Brogan, G. Crawford, M. Doherty, P. Doherty, R. Donaghey, M. Farren, M.T. Gallagher, M. Harley, J. Harte, C. Harvey, D. Larkin, P. Mac Lochlainn, F. Mc Brearty, N. McBride, C. Mc Conalogue, S. McEniff, I. McGarvey, P. McGowan, B. McGuinness, S. O'Domhnaill, B. O'Neill, T. Pringle, J. Ryan, and T. Slowey.
- C/147/10    APOLOGIES  
Apologies were received from Clr. Quinn who was unable to attend the meeting.
- C/148/10    OFFICIALS IN ATTENDANCE  
Mr Michael McLoone, County Manager, Mr. Sean Sheridan, Director of Service, Mr. John Mc Laughlin, Director of Roads and Transportation, Mr Seamus Neely, Director of Water, Environment and Emergency, Mr Francie Coyle, Director of Service, Mr. L. Ward, A/ Director Corporate & Housing, Mr Michael Heaney, Director of Planning and Economic Development, Community, Cultural and Enterprise, Mr Garry Martin, Acting Head of Finance, Mr Liam Ward, Acting Director of Corporate and Housing, Mr. Vincent Lynn, Senior Engineer, Mr Eunan Sweeney, Meetings Administrator, Ms Anne Marie Crawford, Staff Officer.
- C/149/10    ADJOURNMENT OF MEETING  
On the proposal of Clr. Mc Guinness, seconded by Clr. Alcorn, it was resolved to adjourn the meeting until 10.20am.
- C/150/10    REVIEW OF 5 YEAR CAPITAL EXPENDITURE 2005-2009 (INCLUDING DCS) AND THE PREPARATION OF PRIORITIES FOR THE THREE YEAR CAPITAL PROGRAMME 2010-2012  
The Mayor stated that it was his intention to deal with Item 1 on the agenda prior to the Lunch-Break and proceed with Item 2 on resumption.

Members considered the report by the A/Head of Finance, circulated during the meeting.(Vide Appendix 1)

The County Manager introduced the report and advised Members that the purpose of the meeting was to review the 3 year Capital Budget 2009-2011, the issues for consideration in advance of preparation of Capital Budget 2011-2012 and to allow Members assess priorities in context of the current economic climate.

It was intended, he stated, to collate the key issues outlined by the Members and incorporate same in the Three Year Capital Plan 2010-2012, scheduled to come before the Council at the monthly meeting on 29<sup>th</sup> March, 2010.

The Council, he advised, was obliged under Section 135 of the Local Government Act 2001 to prepare and consider, on an annual basis, a three year Capital Programme. Thus, it was imperative that cognisance was taken of all available resources and consideration given to the liabilities accruing from the 2005-2009 Programme.

The A/Head of Finance outlined the main aspects of his report, citing the need to consider carefully the following matters:-

- Total Capital Expenditure for the period 2005 – 2009 totalling €772.107m inclusive and its constituent funding sources.
- €37.573m expenditure on Consultancy, which equated to 4.9% of the total capital expenditure.
- Assessment of the payroll costs funded from Capital Projects and whether there would be sufficient monies going forward to cover such liabilities, together with the consequential impact on the Revenue Budget.
- The major local financing components for the Capital Programme and the Development Contribution Scheme, including un-funded balances and commitments, together with an overview of the projected income streams over the period of the planned three-year Capital Budget.

It was acknowledged that there would not be sufficient capacity in the DCS to fund new or additional capital projects.

- Evaluation of all Government Debtors and Creditors in terms of the substantial amount of monies outstanding to the Council from various Government Departments. Noted that in the region of €20m was outstanding, resulting in a higher level of overdraft and increased costs/charges in overdraft interest.
- Challenges facing the Council in terms of reduced income from the DCS, reductions in Government Grants and ongoing deterioration in the General Government Balance which would cap borrowing in 2010 and have a knock on effect on local authority borrowing.
- Identification of specific projects, the potential funding sources and the need to have dedicated priority listings.

Mr. Liam Ward, Mr. John Mc Laughlin, Mr. Seamus Neely, Mr. Michael Heaney, and Mr. Francie Coyle, Directors of Service briefed the Council on the status of a range of projects within their respective areas of responsibility, as well as providing a synopsis of priorities/commitments for 2010/2011.

The County Manager, responding to a specific query on the status of Greencastle Harbour, advised that he would be making a proposal at meeting with the Department of Marine to pay the outstanding money which, if accepted, would remove it as an obstacle to further funding being made available. He added that he proposed to offer that the Council would raise a loan to fund the balance of the Council's share of the project, if the Department was in a position to fund the remainder.

Clr. Farren thanked Members for their support in relation to the Greencastle Project and urged acceptance of the County Manager's proposals, citing the importance of the project in terms of economic and tourism development.

A lengthy debate and wide ranging debate ensued on the implications for funding a variety of projects.

The Mayor advised that he had to leave the Chamber for a short period and on his proposal, seconded by Clr. Larkin, it

was resolved that Clr. Alcorn chair the meeting in his absence.

The County Manager confirmed that individual queries would be dealt with on a case by case basis by the relevant Directors, and a report provided at the March Council Meeting. The report, he stated, would contain options for dealing with the €19m in outstanding balances. It was also intended, he advised, to prioritise projects on a service by service basis.

The County Manager agreed to arrange a meeting in the interim with the relevant Government Departments with the specific aim of outlining the Council's concerns and to establish the funding options available to the Council going forward.

C/151/10 ADJOURNMENT OF MEETING

On the proposal of Clr. Brogan, seconded by Clr. Boyle, it was resolved to break for lunch and reconvene the meeting at 2.15pm.

C/152/10 TO CONSIDER THE MANAGER'S RESPONSE TO THE LOCAL GOVERNMENT AUDITOR'S REPORT FOR 2008- WORK DONE SINCE 1995 ON ORGANISATION DEVELOPMENT WITH SUPPORT FROM ORGANISATION SPECIALISTS.

Members considered the County Managers Report dated 1<sup>st</sup> March, 2010, circulated during the meeting, in relation to the above. (Vide Appendix 2)

Clr. Blaney enquired as to whether it was possible to consider the item without the Internal Auditor's Report. The County Manager advised that clarification re same was provided in the report circulated. Clr. Blaney requested that it be recorded that he had requested a copy of the Internal Audit Report.

The County Manager proceeded to present his report, He asked Members to consider the report in the context of the following:-

1. Could the services have been procured through a competitive tendering process
2. The Value for Money issue.

### 3. Where do we go from here.

The County Manager continued by providing a detailed overview of the sustained programme of change and transformation initiated within Donegal County Council over the past 15 years. He outlined the background to the programme, the rationale for development and the principal achievements to date.

He noted that the Local Government Auditor had adjudicated on the mechanisms involved. The audit itself, he acknowledged, had been fair and comprehensive with the Local Government Auditor raising valid questions in relation to the tendering process. There was, he asserted, no way that the service outlined in the report could have been procured through the normal tendering process.

Having outlined in considerable detail the intricate nature of the project, he informed Members that a number of options were available to them should they require further clarification. These included :-

1. That the Mayor write to the Minister for the Environment, Heritage and Local Government enclosing the report as evidence of the outcome of the Minister's investment of €6.5m in Donegal as a pilot site for implementation of BLG – A Programme for Change and for consideration in assisting the Government with their Transformation of Public Services Policy.
2. Have an independent evaluation of the work and establish through this procedure the full costs of development to date, whether it represented value for money and obtain clarification in relation to the status of the intellectual property rights.
3. Extending an invitation to Mr. Cang and Mr. Stroll to address the Corporate Policy Group or Audit Committee (when fully established) and address the questions raised in the Audit Report.

He acknowledged that there had been considerable lobbying of members over the past few weeks, generating much concern and speculation. It was imperative, he contended, that any such concerns/allegations were directed in the first instance through the appropriate channels.

The County Manager accepted that the Council was responsible for corporate governance and perfectly entitled to hold the County Manager to account for his actions.

Clrs Mac Lochlainn, Brogan, Mc Brearty and Slowey outlined their support for the County Manager and the Senior Management Team. They commended the Manager on his excellent track record, his integrity, and dedicated service to Donegal County Council, advising that they had every confidence in his ability.

Clr. Brogan proposed, seconded by Clr. Mc Brearty, that the report should not be forwarded to the Minister for the Environment, Heritage and Local Government, unless specifically requested by the County Manager, as to do so would be doubting the County Manager and the Management Team.

Clr. Slowey whilst assuring the County Manager of his full and complete backing advised that the final decision to forward the report to an independent authority lay with the Manager himself.

Clr. Pringle said that it was the right of Member's to ask questions and, while he was not in any way questioning the integrity of the County Manager or his staff, it was apparent that there were many questions to be answered. He had, he advised, requested additional information but to date had received nothing. Expressing concern at the late circulation of the report and the necessity of digesting the material in a structured manner, he said he was of the opinion that it did not provide any evidence as to the development of a clear management system. He welcomed any proposal which would allow the Corporate Policy Group deliberate further on the matter. It was imperative, he added, that judgement was reserved until Members had sufficient time to digest this comprehensive report.

Clr. Larkin cited the importance of progressing the matter through all the relevant channels.

On the proposal of Clr. Brogan, seconded by Clr. Mc Guinness, it was resolved that:-

1. Accept County Manager's recommendation and submit the report to the Minister for the Environment, Heritage and Local Government.
2. Mr. Cang and Mr. Stroll to be invited to attend a CPG or Audit Committee Meeting (if fully constituted) to address issues raised in the Audit Report, following which a comprehensive report to be brought to the full Council.

C/153/10

RETIREMENT OF MR FRANCIE COYLE DIRECTOR OF PLANNING AND ECONOMIC DEVELOPMENT.

Tributes were paid to Mr. Francie Coyle, Director Planning and Economic Development on his forthcoming retirement. The County Manager, together with the Elected Members, praised the outstanding contribution he had made to Donegal County Council over the years, and wished him a long and happy retirement.

This concluded the business of the Meeting.