

Réamhrá

Cuirim os bhur gcomhair an Dréacht-Bhuiséad, ar suim de €150.338m é, don bhliain 2006, le go n-aontófaí é agus le go nglacfaí leis.

Saothar mór a bhí i gceist an Dréacht-Bhuiséad do 2006 a ullmhú agus a aontú, le é a chur faoi bhur mbráid. I measc na ndúshlán is mó atá romhainn i mbliana beidh gá

1. an róchaiteachas de €13.1m a laghdú go dtí €12.0m ar a laghad,
2. acmhainní an chontae é féin a mhéadú le cothabháil a dhéanamh agus feabhas a chur ar bhóithre sa chontae nach bóithre náisiúnta iad
3. dul i gcompháirtíochtaí comh-mhaoinithe 25-50% le deontais stáit
4. soláthar an chiste fhorbartha ghinearálta a mhéadú faoi 20% chun tacaíocht riachtanach bhreise a thabhairt d'fhorbairtí eacnamaíochta, sóisialta, cultúrtha agus infrastructúrtha sa chontae.

Ba mhaith linn aitheantas a thabhairt agus buíochas a ghabháil as an ardu de 7.88% san allúntas ó Chiste an Rialtais Áitiúil, ach caithfear a chur ina luí chomh maith, más mian linn agus más tábhachtach linn na spriocanna atá sa bhuiséad a bhaint amach, tá géarghá lenár n-acmhainní féin a mhéadú, le cur ar ár gcumas é seo a chur i gcrích.

Cé go gcaithfear an Dréacht-Bhuiséad a aontú gach bliain, agus cé nach mbaineann an Dréacht-Bhuiséad ach leis an chaiteachas don bhliain atá le teacht, ghlac an Chomhairle cinneadh tamall maith ó shin gur chóir, agus gur ghá, na feabhsúcháin sna seirbhísí agus san infrastructúr a phleanáil agus a acmhainniú thar thréimhse 5-7 mbliana. Dá bhrí sin, tá pleananna 5-7 mbliana á gcur i bhfeidhm againn chun ceithre phríomhchuspóir a bhaint amach, mar atá:

- (a) Feabhsú i gcothabháil na seirbhísí atá againn
- (b) Infheistíocht san Infrastructúr le heasnaimh a leigheas agus le freastal ar fhorbairtí úra
- (c) Bainistíocht Sheirbhísí na Comhairle a nuachóiriú agus a bheith chun tosaigh i dtograí úra le seirbhísí poiblí a nascadh le chéile agus iad a nascadh leis an chustaiméir chomh maith agus
- (d) Straitéisí eacnamaíochta agus fostaíochta, agus cultúrtha agus teanga, a fhorbairt trí chomhpháirtíocht le heagrais stáit eile agus le coistí deonacha agus pobail, tríd an Bhord Forbartha Contae.

Maidir lenár gcoimítmint chun na seirbhísí trí Ghaeilge a fhorbairt ar fud an chontae, agus go háirithe dár gcustaiméirí sa Ghaeltacht, tá Scéim Teanga 3 bliana ullmhaithe ag an Chomhairle Contae, i gcomhair leis na Comhairlí Baile sa chontae, faoi Alt 11 d'Acht na dTeangacha Oifigiúla. Cheadaigh an tAire Gnóthaí Pobail, Tuaithe agus Gaeltachta an Scéim Teanga i mí Iúil, agus tháinig sí i bhfeidhm ar an 1ú Deireadh Fómhair 2005. Pléann an scéim teanga seo le gach gné d'fhorbairt na seirbhíse trí Ghaeilge; oiliúint, eagrú foirne agus earcaíocht, ábhar scríofa, cruinnithe, aistriúchán srl. Tá gach seirbhís de chuid na Comhairle a liostáilte agus leagtar síos spriocanna sna trí bliana amach romhainn leis an chaighdeán seirbhíse atá ar fáil trí mheán na Gaeilge a fheabhsú. Lena chinntiú go gcuirfear gach gné den Scéim Teanga i bhfeidhm, tá méadú 15.4% déanta againn ar bhuiséad forbartha na Gaeilge.

Chomh maith le hAcht na dTeangacha Oifigiúla 2003, tá soláthar in Alt 68 den Acht Rialtais Áitiúil 2001 maidir le cur chun cinn na Gaeilge sa Rialtas Áitiúil. Faoi Alt seo, tá Coiste Comhairleach Gaeilge bunaithe ag an Roinn Comhshaoil, Oidhreacht agus Rialtais Áitiúil leis an tseirbhís trí Ghaeilge a chur chun cinn sa Rialtas Áitiúil, agus bhí mé féin mar bhainisteoir contae, agus an Comhairleoir Daithí Alcorn gníomhach ar an choiste seo. Beidh muid ar ár ndícheall na seirbhísí trí mheán na Gaeilge a chur chun cinn.

Leanfaidh an Chomhairle leis an chomhoibriú agus leis an chompháirtíocht le hÚdarás na Gaeltachta agus leis an Roinn Gnóthaí Pobail, Tuaithe agus Gaeltachta, agus lena páirtnéirí ar an Bhord Forbartha Contae, le forbairt a dhéanamh ar cheantracha Gaeltachta agus le forbairt a dhéanamh ar chosaint, ar fheabhsú agus ar leathnú na Gaeilge mar theanga bheo labhartha sa Ghaeltacht agus ar fud an chontae (mar shampla, An Baile Beo, infrastruchtúr na Gaeltachta, An Straitéis srl)

Maidir leis an bhuiséad ina iomláine, tá mé sásta go bhfuil na hacmhainní roinnte ar bhonn réasúnta cothrom idir na seirbhísí éagsúla agus idir na rólanna/cuspóirí éagsúla a chaithfidh muid a bhaint amach leis an Chontae a fhorbairt ina iomláine.

Mar fhocal scoir, beidh dúshlán mhóra romhainn sa bhliain 2006, agus beidh orainn an Buiséad, mar a bheas sé aontaithe agaibhse, a bhainistiú le cúram.

1. INTRODUCTION

I submit for your approval and adoption the Draft Budget for Revenue purposes in the sum of €150.338m for the Year ending 31st December, 2006 which is an increase of €13.795m (or 10.1%) over last years adopted budget.

In addition, expenditure of €290m is planned on Capital Projects as part of our three year programme which is an increase of €165m (or 132%) over last year. Total planned expenditure in 2006 of €440.338m (Revenue and Capital) is an increase of €178.795m over 2005 (a 68.5% increase). It is an increase of €376.051m over what the Council spent in 1994 (a 585% increase). These figures are very clear indicators of the dramatic growth in the level, range and volume of Council services, projects and capital works over a 13 year period.

The Draft Budget sets out in detail the expenditure required in the incoming calendar year to maintain and improve our services and infrastructure. The Budget also takes a longer term view of the Council's planned operations. It incorporates the three year Capital Programme 2006 - 2008. The Budget also provides the funding to advance implementation of our Corporate Plan adopted in 2005.

As in the Budget 2005, the Council will be pursuing four key objectives as set out in the following pages which roll over year on year because of their multi-annual nature.

Objective 1: *To improve the level and standard of maintenance of our existing infrastructure and services*

Our Revenue budget of €150.338m will be largely targeted on this objective. The Budget required to improve the maintenance of our existing services and infrastructure has been prepared in detail under each Director of Services Report.

- The budget proposes an increase of €728,300 from own resources to improve the general maintenance of Non National Roads and to improve our public lighting programme. We are targeting the restoration of a further 638kms of Non National Roads (through 580 Road Schemes) across each Electoral Area so that by 2008, 55% of the network of 5,987kms will be restored.*
- The Budget proposes an increase of €1,633,800 (14%) for the operation and maintenance of water supplies, waste water systems and public conveniences.*
- The Budget proposes an increase of €399,600 for the planning service to help cope with growth in demand - Donegal County Council is dealing with over 7,000 applications for planning permission each year (the second highest in the country) and the planning service deals with 100,000 queries annually.*
- Significant additional funding from own resources is also provided in relation to the maintenance of Council housing stock, waste recycling and the other priorities in response to demands for higher standards of maintenance.*

Objective 2: *To remedy deficits in our physical and economic infrastructure (by increasing capital investment) to cater for existing demand and future developments*

Our three year Capital Programme (which is presented for adoption with the Revenue Budget) will be targeted on this objective. In 2006 the Council has plans to invest €290m on capital projects compared to a capital budget of €125m last year (and compared to a capital budget of €22.867m in 1994). The investment will be targeted on making major improvements in roads, water, waste water, telecommunication, housing, marine, social and other infrastructure to cater for existing and new developments and to promote economic growth in the County. The Capital Programmes provided under each Directorate set out comprehensively details of the Projects to be progressed (as prioritised by the Members of the Council). The Budget of €290m in 2006 is divided between Directorates as follows:

Directorate	Total	%
Housing	€78,385,000	27.02%
Roads & Transportation	€68,824,999	23.74%
W/E/E	€115,646,483	39.88%
Planning & Economic Development (T&V)	€6,575,000	2.27%
C, C & E	€9,463,000	3.26%
Corporate	€10,000,000	3.45%
Misc Services (Ec.Dev.)	€1,123,000	0.38%
Total	€290,017,482	100%

The Budget includes a proposal to spend €1m from our economic development fund to co-fund an investment of circa €10m to install broadband metropolitan area networks in six towns i.e. Ballybofey/Stranorlar, Bunrana, Carndonagh, Donegal Town, Ballyshannon and Bundoran (the Economic Development Fund will also provide co-funding were required for the community network service (CNS) to support community broadband initiatives to serve rural areas in Donegal).

Objective 3: *To continue with the programme of reform and modernisation of Council services within the wider agenda of Public Service Reform / Delivering Better Government.*

Our Revenue budget in particular makes provision to continue with the reform and modernization agenda so as to deliver better managed and higher quality services, benchmark our costs against market prices and join up the delivery of Council services with other Public Services where this is more convenient or cost effective for our Customers.

Every organisation pays lip service to the primacy of the customer. Despite this poor customer service is a common experience of customers of both the public and private sectors. The Councils overall or Corporate Customer service strategy has been firstly to relocate the majority of staff dealing directly with customers to five new public service centers and secondly to reorganize the geographical areas served by each of the Councils services delivered from these centers to conform to its electoral area. As a result of progress to date each elected representative can interact directly with staff in each Council department who provide services to the citizens / customers of their constituency. In addition great progress has been made in co-operation with the Town Councils to engage with Elected Members from both the Electoral Areas and the Town Councils for the purpose of the closer integration of Area and Town planning, service planning and shared service provision (e.g. in relation to management of housing waiting lists/strategies to deal with long term rent supplement recipients).

This draft Budget makes provision to build on this customer service strategy so as to make continuous improvements year on year in relation to the level, quality and responsiveness of our services to customers. In particular the 2006 budget proposes.

- The advancement of planning to complete the accommodation programme (Stranorlar PSC/HQ - Phase 2) to complement the work in the existing 5 PSC's.*
- The opening of the first Public Service Centre Outreach Service in Ballyshannon in conjunction with facilities for the Town Council and Library Service and the further development*

of the concept of outreach customer services in the six electoral areas.

- *The earmarking of 3% of payroll for staff training, management development, health and welfare measures*
- *the roll out of the Performance Management Development System (PMDS) designed to set performance targets for departments, work teams and individuals, improve work processes and reduce response/turnaround times for applications, queries and complaints.*
- *Improving the performance of the Council against a set of 42 nationally predetermined service indicators (published by the Local Government Management Services Board in the middle of 2005).*
- *Re-launching the Council's web site to provide members of the public with a user friendly, accessible interface with the Council.*
- *Enhancing the online planning system which currently has an average of 50,000 hits per month.*
- *The launching in early 2006 of a Draft Customer Action Plan. It will focus on the setting and achievement of a further range of clearly defined customer service standards in terms of quality, timelessness and efficiency. The Plan will also provide for the introduction of a formal complaints/appeal system.*
- *The advancement interagency co-operation between the Health Service Executive, Department of Social & Family Affairs, FAS, Comhairle and other agencies using the PSC's as a key part of the infrastructure for doing this. The PSC's have positioned Donegal County Council to pilot many innovative initiatives to streamline services to citizens of the County and reduce overall costs of public services. (The Council was selected and funded by the DOEHLG as a pilot site in the mid 90's to test the concept of Electoral Area One Stop Shops / Integrated Public Service delivery). Among the benefits to date are:*
 - *The public service centres have been developed as a first point of contact to services. Customers requiring services from agencies not based in the centres are facilitated through the provision of information, application forms and appropriate referrals, thereby removing the need to make further enquiries in regard to basic public services.*

- *Partner agencies have relocated and are delivering services from the public service centres adding to customer convenience through increasing the range of services directly available from the centres and the range of service delivery staff available for consultation in each centre.*
- *The result of these developments is that an infrastructure, physical and people, is now in place capable of delivering a localised public service to citizens and customers in County Donegal. This infrastructure and the underpinning interagency collaboration has been used to undertake an extensive research programme aimed at increasing the understanding of issues involved in integrating public service delivery to the people of Donegal and at developing new service delivery channels.*
- *During 2006 we plan to build further on this work. In particular we will focus on 900 recipients of long term (over 18 months) rent supplements to provide them with secure tenancies and give best value for money. This interagency work will enable us to keep data on means tested services up to date, to maintain accurate data on our housing waiting lists and eventually to offer applicants for meanstested services a single gateway to all meanstested services.*

Objective 4: To promote the economic, social and cultural development of the County in partnership with other State Agencies, the private sector, the community and voluntary sector and the other social partners

The Council is continuing to take a lead role with all the partners and stakeholders that share responsibility for how the County grows and develops. A key driver of the partnership agenda is job creation particularly since the prediction in 1999 that the County would need over 9,500 new jobs in the period 2000 - 2006 to replace anticipated job losses in the traditional manufacturing sectors in agriculture, in fishing and in other sectors vulnerable to competitive pressures from lower cost economies.

Since 2000 the Council has continued to support and fund a county-wide strategy to transform the economy of the County so as to develop more modern higher-value-added economic activities and an occupational structure more comparable to the rest of the Country. The aim is also to rebalance natural-resource-based employment (agriculture, tourism, fishing, forestry and so forth) with new-technology-based indigenous and inward investment based employment.

The main (though not exclusive) vehicle through which the Council conducts these partnership arrangements in support of this agenda is the County Development Board. The Budget proposes the continuation of support for An Strateis which provides a blueprint for the development of the County. There are 62 projects being funded through a range of internal and external sources in pursuit of the objectives in An Strateis (covering a diverse range of activities including economic, marine, forestry, research, youth, health, lifelong learning, community development and so forth).

The work which has been undertaken through the Economic Forum has for example, enabled the Council and the CDB to make a joint presentation to Government Ministers in February 2005 setting out an up to date position on job losses and gains in the County and on priority actions and investments needed to transform the economy of the County. As a result an interdepartmental group was set up to consider a programme of priority actions set within the context of evolving North / South relations and institutions. I expect Minister Michael Martin to report to Government during the first quarter of 2006 on the priority actions needed to assist the economic

development of the County. I expect also that the County will be well positioned to benefit from any north/south initiatives to bring an all-island dimension to economic, social and physical planning and investment.

I am recommending the continuation of a €6.3 million Economic Development Fund to assist and support projects which will promote the economic, social and cultural development of the County.

The General Development Fund administered by the Community & Enterprise Division as well as other Discretionary Own Resource Funding will act as a leverage for further investments in the County in terms of providing match funding on projects, which would not otherwise progress without the Council co-financing.

The budget also includes significant increases for libraries, arts, cultural and heritage services throughout the County as such social infrastructure will play a critical role in the transformation and modernisation of the Donegal economy.

In summary the 2006 combined capital and revenue budget of circa €440.338m has been prepared and structured to pursue these four key strategic or Corporate multi-annual objectives. In turn these objectives are cascaded down into programmes of work within each Directorate, each Electoral Area, and into towns, villages and rural areas where their impact should be seen in every community.

1.1 Source of Funds for the 2006 Revenue Requirement of €150.338m

Our funding requirement for 2006 is €150.338m. The source of funds to meet this requirement as set out in this Draft Budget are as follows:

Source of Funds	Amount	% of Total
• Specific State Grants	€52,279,300	35%
• Local Government Fund	€38,547,272	26%
• Other receipts	€35,790,673	24%
• Rates	€18,043,155	12%
• Commercial Water Charges	<u>€5,678,000</u>	<u>3%</u>
Total	€150,338,000	100%

Note: These % figures include my proposals for increasing commercial water charges and landfill charges and for increasing commercial rates.

In summary, 61% of our required funding must come from Central Government Sources in the form of specific or discretionary grants/funds. The balance must be raised locally from a narrow base of commercial rates, commercial water charges, landfill charges and from housing rents, planning fees and various other miscellaneous sources of income/receipts.

Our Funding requirement for 2006 of €150.338m is €13.795m greater than our 2005 adopted budget. The analysis of this increased requirement is as follows:

	€m
▪ Pay/Pension/Staff Increases	5.893
▪ Machinery Expense Account	6.010
▪ Provision for Irrecoverable Rates	0.250
▪ Other Service Provisions	1.642

Sourcing Funding for Additional Requirement:

▪ State Grants	0.902
▪ Local Government Fund	2.814
▪ Machinery Expense Account	6.010
▪ Proposed Increases in Landfill and Commercial Water Charges	1.109
▪ Other Income Adjustments	2.264
▪ Balance to be funded	€0.696

1.2 Local Government Fund Allocation - (€38,547,272 or 26% of overall funding requirement)

As Members are aware, the Local Government Fund was established from combined Motor Tax Receipts and Exchequer Funding. When it was introduced it was intended to provide Local Authorities with a buoyant source of revenue to replace the Rate Support Grant and its replacements (in respect of the loss of Domestic Rates, Domestic Water charges and others), to meet the cost of new functions and services and to 'equalise' the revenue base of Local Authorities by reference to their needs and to the resources at their disposal to meet them. A model has been developed, (Needs and Resources Model), to calculate how the Fund should be divided between Local Authorities (see table below for allocations from the Local Government Fund over the past 5 years which include amounts allocated on foot of the model).

Over the years since its introduction the Needs & Resources model has attempted to introduce some level of resource redistribution but it is accepted that as yet it is far from achieving the necessary equalisation desired across all Local Authorities.

The Council has to ensure that budgets are realistically balanced, (neither overstating likely income nor underestimating expenditure) and that deficits do not arise in 2006 by monitoring and controlling expenditure and income and taking remedial measures if required during the year. The ongoing development of financial and management control reporting has greatly increased our capacity to manage our budgets.

Table: Local Government Fund Allocations 2001 - 2006

Year	Amount	% Increase
2001	€22.800m	N/A
2002	€24.198m	6.13%
2003	€26.160m	8.11%
2004	€32.356m	23.69%
2005	€35.733m	10.44%
2006	€38.547m	7.88%

Overall Budgetary Strategy

- **Strategy for Dealing with Revenue Deficit**

In recent years as part of the Adopted Budget the Elected Members have agreed to make a provision of €800,000 for the writing down of the accumulated Revenue Deficit, which at the 31st December 2004 stood at €13.1m (Source: Draft 2004 Annual Financial Statement). This figure represented an improvement of just over €1m on the deficit figure of €14.1m that obtained at 31st December 2003.

When this position at 31st December 2004 on the Revenue Deficit is coupled with the levels of Unfunded Capital Balances both for Projects and Non Projects - €8.3m and a historical funding gap on mortgage related loans of the order of €5.8m it is clear that we need to continue to make provision at the current level of €800,000 again in 2006. The Council has already committed to do this in response to recent Audit Reports. The gradual elimination of this deficit will also reduce our overdraft requirements and ease our cash position as a result.

It is anticipated that the provision of €800,000 in the 2005 Adopted Budget will be the least available to reduce the accumulated deficit by this amount when the figures for the 2005 Outturn are definitively established. This will reduce our accumulated deficit to circa €12m.

- **Strategy for dealing with Loan Repayments**

In further dealing with this issue I intend as indicated last year to avail of opportunities to use some proceeds from the disposal of surplus assets and the retirement of old mortgage loans (at high rates of interest) to reduce the burden of loans and thus loan charges on the Revenue Account. In the Draft Budget for 2006 I have included a saving of €333,000 in respect of €2.8m worth of old loans at various high rates of interests (from 10-12%) which will be redeemed at the end of January 2006.

I am again targeting the repayment at some stage during 2006 of at least €2m on Non Mortgage related loans from asset disposals which will save a further €150,000 minimum on the revenue account in 2006 and save €200,000 (a full years saving) from 2007.

In summary the total savings targeted in loan charges is €483,000. By adopting this strategy the demand on the rates has been reduced by this amount (which is approximately equivalent to a saving of 2.75% on the

Annual Rate on Valuation Multiplier). In other words if we did not adopt this strategy we would require a further increase of 2.75% on the rates.

I will be working with the Directorates including Finance to ensure our Cash Management will not be compromised by the above initiatives in the short to medium term.

- **Our Strategy to deal with unfunded Capital Balances**

Each Director of Service is currently reviewing the up to date outstanding balance on capital accounts which are unfunded. These balances will remain as a charge on capital account to be funded through future grants for schemes and Development Contributions rather than as a charge on the rates / revenue account.

- **Strategy for providing Own Resource and Matching Funds**

The provision of additional own resource funding is essential if we are to meet the wishes of the Members in relation to increases demanded in the following areas:

- General Maintenance of Non National Roads - an extra €460,000 (net of wage increases) has been provided for such maintenance works as pothole repairs, hedgecutting, street cleaning and so forth. This funding has to come from own resources as part of our arrangements with the DOEHLG to keep increasing own resource provision in line with increases in State Grants.
- Community Development Fund - 21% increase is proposed on the 2005 provision for specific projects e.g. Donegal International Airport, Donegal Ancestry, Bunrana / Rathmullan Ferry Service, Lifford Athletic Club.
- Water Services - Under the Local Government Fund an additional €45,710 was allocated to the Council for improvement/maintenance works of Water Services infrastructure. However the actual estimated cost for these works is €500,000 and therefore, the deficit has to come from own resources.
- Matching Funds - I am proposing to provide again €120,000 from Own Resources as matching funds to ensure that we can draw down grants from various sources during 2006 which may require either 25% or 50% matching monies (particularly in respect of works not covered by the DCS).

- **Strategies to Increase Efficiency and Value for Money**

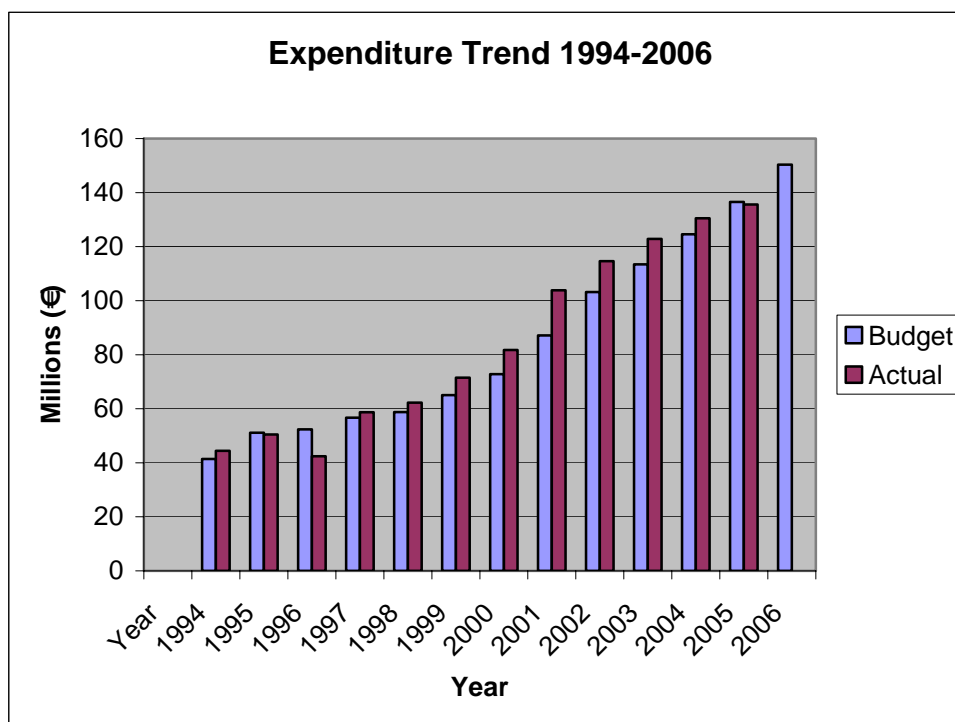
In determining the Local Government Fund allocation, the Minister has taken into account the wide range of increasing costs which will arise for local authorities in 2006, including for example, pay costs. The Minister is aware that Local Authorities have taken steps to enhance the efficiency of their operations and to deliver value for money. He wishes to encourage all Local Authorities to continue this process and to widen and deepen their examination of the scope for efficiencies and rationalization of expenditure arrangements in all service areas in 2006. One area which authorities are encouraged to examine is the potential for alternative service delivery arrangements including the potential, where appropriate, of contracting-out services and of sharing service between Local Authorities. In addition, Local Authorities are asked to re-evaluate their operations against the Value for Money Studies which have been completed by the Value for Money Unit of the Department over the years. In response to this request I suggest that we use the extra €460,000 (net of pay increases) allocated to Non National Road Maintenance as a Innovation Fund and invite each Electoral Area to propose the most efficient ways of using this money before allocating it to each area.

2. REVENUE EXPENDITURE - TREND ANALYSIS

The following table and graph sets out the Estimated and Actual Expenditure for the period 1994 - 2005 inclusive and the projected expenditure for 2006 as per the Draft Budget. The table shows that our revenue expenditure has increased by approximately 363% in this 13 year period. In the same period, the annual rate on valuation has increased by 58%. This is based on a multiplier of €41.39 in 1994 and a proposed multiplier of €70.53 in 2006. This illustrates the leveraging of significant other funds which our increases on rates has helped to achieve.

	Budget	Actual	Rates	% Funding from Rates
Year	€m	€m	€m	%
1994	41.420	44.413	6.368	14
1995	51.151	50.452	6.860	14
1996	52.361	52.434	7.587	14
1997	56.669	58.708	8.133	14
1998	58.764	62.270	8.847	14
1999	65.024	71.504	9.517	13
2000	72.806	81.753	9.761	12
2001	87.144	103.847	11.135	11
2002	103.172	114.648	12.462	11
2003	113.430	122.865	14.641	12
2004	124.552	130.512	15.074	12
2005	136.543	134.785 (E)	16.285	12
2006	*150.338 (E)		18.043	12

*Includes €800,000 for write down of accumulative deficit



3. CAPITAL EXPENDITURE - TREND ANALYSIS AND PLANS FOR OUR 2006 - 2008 CAPITAL PROGRAMME

While such spending is not funded directly through the Revenue Budget, nevertheless provision has to be made in it to ensure that the Planning, Preliminary Design and preparation of Contract Documents for major Capital Schemes is funded (e.g. staffing of Sanitary Services Design Office, Senior and Line Management etc.).

It is as a result of such work that we have succeeded in increasing our Capital expenditure from €22.867m to €290m estimated (i.e., an increase of 1268%) between 1994 and 2006 as set out in the table below.

TABLE: Capital Expenditure Trends: 1994 - 2006.

Capital Works Expenditure 1994 - 2006	
Year	€m
1994	22.867
1995	28.288
1996	39.508
1997	44.498
1998	50.232
1999	66.821
2000	84.845
2001	113.614
2002	88.566
2003	83.310
2004	100.000
2005	135.000 (E)
2006	290.000 (E)

The Council is required to present a three year capital Budget (2006 - 2008). Our estimated capital expenditure for this period is €865,709,902 (an average of €288,569,967 per annum) of which the Council will be expected to contribute €79,671,888. The raising of this contribution is not as the members are aware from our various discussions, a matter for decision at the Budget 2006 meeting. Instead it will be the subject of separate meetings, consultations and discussions over the coming months.

This capital programme highlights the need for major investment in the infrastructure of the County to remedy deficits, to create spare capacity for new developments and to make the county more attractive and competitive for job creating investment. Our Revenue Budget reflects the fact that we have to build the capacity to plan and deliver major Capital Works Programmes in Roads, Water Services, Housing, Marine, Town & Village Regeneration and so forth i.e. we need to provide funding for sufficient staff in our planning and design offices as well as Consultants for major schemes.

4. Review of Financing Local Government

The Minister for the Environment, Heritage and Local Government appointed Indecon International Economic Consultants in association with the Institute of Local Government Studies to carry out a major independent review of local government financing in Ireland.

The Review will:

- Project future expenditure and income of local authorities having regard to existing and emerging demands;
- Appraise the existing system of funding and spending and assess alternatives and options to ensure a sustainable funding system and financial situation for local authorities over the medium to long term, including the potential for rationalisation of expenditure;
- Examine and identify potential adjustments in service delivery arrangements by the local government system having regard to considerations of economy, administrative and financial efficiency and effectiveness; and
- Make recommendations on the approaches most favoured.

The Indecon Report has been presented to the Minister for Environment, Heritage and Local Government and is due to be brought to Government.

The report of the consultants and subsequent actions by the Government are keenly awaited against the background of the less than satisfactory range of sources of funding that are at the discretion of Elected Members to evaluate and implement. Each year the Members have highlighted the unfairness of the current system of financing whereby the necessary increases in our own resource funding has to be found mainly from the commercial sector through increases in the annual rate on valuation and charges for the use of water for commercial purposes.

In the next section of this report I am setting out an overview of our 2006 Revenue Budget requirement and source of funds and recommending an increase in the Commercial Rates. In an addendum to my report I am setting out an executive summary of the detailed budget proposals from each Director of Service (for both Revenue and Capital expenditure) which incorporates many of the highlights I will be using in my presentation to the Members on Budget day. Members who wish to seek out specific details of the budget provision for any Directorate programme or service may wish to go directly to the Directors report rather than use the Executive Summary.

5. OVERVIEW

	€m
5.1. 2005 ADOPTED BUDGET	136.543
*2005 REVISED BUDGET	135.585
2005 ANTICIPATED OUTURN	134.785
WRITE DOWN OF ACCUM. DEFICIT	0.800
**2006 REQUIREMENT	150.338
EXCESS OF 2006 OVER 2005 (ADOPTED BUDGET)	13.795
5.2 Sourcing Funds to meet Additional Requirement of €13.795m	
	€m
State Grants	€3.716
Machinery Expense Account	€6.010
Other Income Adjustments (including rates buoyancy)	€2.264
Proposed increase in Water Charges	€0.725
Proposed increase in Refuse Charges	€0.384
Balance to be Financed	€0.696

* The revised Budget is equal to the adopted Budget plus amendments to income sources notified and received during 2005.

**Includes for further write down of deficit of €800,000.

Despite the 7.88% increase in the Local Government Fund allocations some members will be aware from CPG Meetings that there is a gap of €0.696m between our budget requirement and our anticipated income for 2006. My proposal for bridging the €0.696m gap is set out in the recommendation on the following page.

RECOMMENDATION

I recommend that the Council should raise the balance of €0.696m by a 4% increase in Commercial Rates from €67.82 to €70.53

M. McLoone,
COUNTY MANAGER

6. ADDENDUM TO COUNTY MANAGER'S REPORT: EXECUTIVE SUMMARY OF THE KEY POINTS IN THE DRAFT REVENUE BUDGET AND CAPITAL PROGRAMME 2006 FOR EACH DIRECTORATE / PROGRAMME GROUP

The Annual Budget is the statutory mechanism through which the funding for each service and activity planned for the incoming year is provided and through which you, the Elected Members decide on the level of service to be provided within the Budget you adopt. Notwithstanding the annual nature of the Budget it was agreed over the past five years that a multi-annual approach would be taken to the setting of key strategic objectives and service plans and that the annual Budgets would be prepared and structured to support the achievement of these key objectives.

In the remaining section of my report I am summarising key provisions in the report of each Director of Service which underpin the achievement of our budgetary objectives (for details go directly to the Directors report). The structure of this section of the report follows in the following sequence;

		<u>Page No.</u>
Housing and Building	Revenue Budget 2006	4-19
	Capital Budget '06 - '08	20-33
Roads and Transportation	Revenue Budget 2006	34-59
	Capital Budget '06 - '08	60-73
Water, Environment and Emergency Services	Revenue Budget 2006	74-114
	Capital Budget '06 - '08	115-169
Planning and Development	Revenue Budget 2006	170-192
	Capital Budget '06 - '08	193-209
Corporate Directorate (Including Re-organisation/decentralisation).	Revenue Budget	244-277
	Capital Budget	278-279
Finance Directorate	Revenue Budget 2006	280-296
Community Culture & Enterprise	Revenue Budget 2006	210-239
	Capital Budget '06-'08	240-243

6.1 HOUSING & BUILDING DIRECTORATE

Requirement 2006: €14,000,800

1. Maintenance of Rented Stock

Housing Stock by Electoral Area

Electoral Area	Scheme Houses	S.I. Houses
Inishowen	437	143
Donegal	407	148
Glenties	326	264
Letterkenny	443	87
Milford	253	93
Stranorlar	364	82
Total	2230	817

- 2230 houses in the Housing Stock are rented in over 170 individual housing estates while 817 (or 27%) are individual houses provided as specific instance/rural cottages or single houses in estates.
- A provision of €1,743,600 is included in the draft budget to maintain existing stock of Council properties which represents an increase of €222,500 (15%) on the 2005 adopted budget. The provision will be utilised for a combination of emergency repairs, pre letting repairs of casual vacancies and planned maintenance.

2. Central Heating Programme

- A contribution of €200,000 is being sought to continue to progress the central heating programme, which together with Department grants will mean an investment of €1 million in this programme in 2006 and provide central heating to approximately 142 houses.
- A Five-year action plan for social and affordable housing identified 887 local authority rented houses as being without central heating.
- In 2004 and 2005, 42 and 164 dwellings respectively were provided with central heating.

**3. Peace II Programme/revitalisation of Public Housing Schemes
Phase III**

- Total funding of €492,000 has been secured to date from the Peace II Programme to facilitate the revitalisation/regeneration of 23 number local authority-housing schemes.
- A further application was made in November 2005 for funding of €347,000 to carry out works at 18 number schemes.

4. CLAR LOCAL AUTHORITY HOUSING ESTATE ENHANCEMENT SCHEME

- In 2005, the Council secured an allocation of €710,000 from the Department of Community, Rural and Gaeltacht Affairs under the local authority housing estate enhancement scheme.
- A contribution of €337,250 to be provided from Internal Capital Receipts is required to co-fund the scheme which will run from September 2005 to August 2007.

5. Remedial Works/Regeneration of run down estates

- Arising from the action plan for Social and Affordable Housing 2004-2008, assessment of remedial works required on dwellings identified 150 dwellings and 25 SI cottages in need of remedial work.
- The Council prioritised the most urgent cases, which would mean an investment of €728,823 for immediate works.
- The Department gave approval to fund €642,935 from the Council surplus internal capital receipts with a balance of €85,888 to be funded under the Councils planned maintenance programme.

6. Estate Management

- Funding was secured in 2005 under the Housing Management Initiative Scheme for the further appointment of the three Tenant Liaison Officers, which would bring their contracts to the 30th September 2006.
- The remit of contracts has been extended to cover all six electoral areas.
- A Tenants Handbook produced by the Tenant Liaison Officers was approved by the Council and will be published in 2006.
- Tenant Liaison Officers are currently involved in the preparation of an anti-social behaviour policy.

7. **Homelessness**
- A Homeless action plan has been drawn up in consultation with the HSE and the homeless forum.
 - €175,000 is provided for in the Draft Budget 2006 under this heading - 90% of which is recoupable from the department.
8. **Rental Accommodation Scheme**
- The Council has responsibility to meet the long-term needs of persons in receipt of rent supplement generally for a period greater than 18 months.
 - The Initial approach had envisaged the Council would enter into leases with the owners of properties. However this approach will not be taken in cases where the properties are considered unsuitable for long-term leasing.
 - The Council can best meet the needs of these applicants using the existing policy of build and buy and this is the recommended approach.
 - It is anticipated that at least a further 50 units will be secured under this initiative in 2006.
 - This initiative is financed by transfers from the Department of Social and Family Affairs (i.e. money used to pay rent supplement is instead used to secure accommodation for the recipients) and our expenditure is fully recoupable.
9. **Traveller Accommodation**
- A new Traveller Accommodation Programme for the period 2005-2008 was adopted on the 29th March 2005, which identified 47 families in need of permanent accommodation. All 47 families identified as in need of permanent accommodation opted for housing - 15 of these families had been accommodated at the end of November 2005.
 - Provision of €195,000 had been made in the draft budget for 2006 to maintain the travel accommodation sites to a high standard and for the employment of a caretaker - 75% of the caretaker salary is recoupable from the Department.
10. **Emergency Replacement of Caravans for Travellers**
- Provision of €30,000 has been made in the draft Budget for 2006 for the emergency replacement of caravans for travellers - 50% of which is recoupable from the Department of Environment, Heritage and Local Government.

11. Asylum Seekers

- There are currently three centres in operation in the County for the accommodation of asylum seekers located at Donegal, Bundoran and Moville.
- A provision of €769,000 is being made in the budget 2006 for the renting of temporary accommodation for asylum seekers. All costs under this heading are 100% recoupable from the Department of Justice, Equality and Law Reform.

12. Maintenance of Courthouses

- Provision of €54,000 is being made under this heading in budget 2006 for the maintenance of Courthouses. This is a reduction on the budget for 2005, which was €109,000 (49%). The reduced provision is due to the fact that the Letterkenny Courthouse and the new Courthouse at Ballyshannon come under the responsibility of the Court Service.
- All expenditure incurred under this heading is 100% recoupable.

13. Derelict Sites/Buildings

- Following a decision of the members to initiate a pilot project a comprehensive audit of all derelict sites and buildings in Ballyshannon was carried out during the year and an action plan to deal with the premises is being formulated at present. Provision of €12,000 is provided as in line with 2005 to deal with the issue of derelict sites/derelict buildings. The lessons from this project will be applied to address dereliction in other towns/villages.

Housing Policy Framework - Building Sustainable Communities

The Minister has announced a new Housing Policy Framework involving increased investment and a range of new policy issues the details of which will be announced early in 2006. While details of the overall framework have not yet been provided the following page sets out a number of new initiatives -

- Improvement in provision of housing advice
- New means of assessing needs
- Implementation of a fair rents policy across all social housing tenures
- Improved management and maintenance of Local Authority housing stock and services to tenants
- Improvements in the governance of the voluntary and co-operative areas (including an initiative with the voluntary and co-operative sector to pilot a tenant purchase scheme for some new voluntary homes)

The new framework will also provide improvements in the provision of affordable housing including -

- Increases in the income eligibility limits to €40,000 (€100,000 dual income)
- Increase of loan limits to €185,000
- Increase in income eligibility limits for rent and mortgage subsidy to €28,000

These new limits to take effect from January, 2006 and further improvements to be brought on stream by summer 2006.

HOUSING CONSTRUCTION: CAPITAL PROGRAMME 2004 - 2008.

1. Housing Need

Electoral Area	No. Seeking Rehousing at 30 th November 2004 (Gross Need)	No. Seeking Rehousing at 15 th June 2005 (Gross Need).
Inishowen	665	391
Donegal	376	316
Glenties	527	427
Letterkenny	1,105	644
Milford	256	191
Stanorlar	305	236
Total	3,234	2205

- The gross housing need in the County to the 15th June 2005 is 2205 and work is underway to check on overlaps with Town Council applicants and applicants who may not have returned application forms.
- There has been a significant change in the make up of the list in terms of the number of one-person households now requiring accommodation (42%). The key consideration for the Council is to ensure that the type of housing being provided is targeted to match the needs of the person on the waiting list in view of the change in the make up of the list now.

2. 2004-2008 Housing Capital Building Programme

- In 2005 the Council prepared a five-year Housing Action Plan as requested by the Department. The Department agreed to the Councils Action Plan, which allocated 1,300 starts to the Council over the five-year period.
- Of the 1300 starts, 200 will be set aside for SI rural cottages. To date approximately 750 scheme starts have been identified throughout the County and are either under construction or at various stages of construction. The remaining 350 starts have yet to be identified and will form the Housing Programme for 2007/2008.

- The Housing Construction section drew down approximately €28 million, which is €2 million in excess of its capital allocation of €26 million.
- There were 340 completions in 2005 including SI cottages and individual purchases.
- Tenders for 42 S.I's were received in 2005 and it is intended to progress another 40 S.I's to tender and construction in 2006.
- The capital spend for 2006 is estimated at €40.5m and a spend of €2million is estimated for Rural Cottages.

3. Assistance to Persons Housing Themselves/Loans

- The following table sets out details of the number applications received in the respect of loans in the period 2001-2005.

	Purchase / Construction	Shared Ownership
2001	48	50
2002	38	36
2003	67	67
2004	66	85
2005 (to 30/11/2005)	77	68

4. Affordable Housing

- Budget provision for 2006 provides for the delivery for 45 number units under the affordable housing scheme.

5. Disabled Persons/Essential Repair Grants

- The Council has spent in excess of €22 million on these grants over the past six years representing the highest spend by any Local Authority outside of the Dublin area.

6. Voluntary Housing

- Accommodation has been provided at 36 centres with a total of 578 units of accommodation provided.
- There are presently some 156 units under construction and 275 number units at an advanced stage of planning.
- The Council is continuing to vigorously pursue the promotion of voluntary housing with a further 90 units targeted for 2006.

6.2. ROADS & TRANSPORTATION DIRECTORATE

Requirement 2006: €52,512,900

1. Overall Figures

The division of the overall Roads Budget for 2006 is set out in the Table below:

Expenditure Type	Total
Road Maintenance	€12,712,100
Road Improvement	€28,737,200
Other Services in Roads Directorate (in Programme Group 2 inc. admin)	€3,693,300

- The Maintenance Budget is divided between National, Regional and Local Roads with National Roads Maintenance being funded by the NRA.
- The Road improvement Budget is divided between Regional and Local Roads and includes funding for pavement strengthening and surface dressing.

2. Road Maintenance

- The draft 2006 budget provision of €12,712,100 contains an additional €660,000 from own resources for general maintenance of which €200,000 is to meet additional pay costs and the balance is additional discretionary funding to improve the level and standard of maintenance.
- To ensure that we get best value for money, I suggest that the funding will only be allocated to the Electoral Areas when priorities in each area are identified and cost effective ways of meeting them are examined, e.g. contracting for services versus direct labour.

3. Road Restoration Programme

- An allocation of €10,606,300 was received from the DoEHLG in respect of the Restoration Programme in 2005.
- During 2005, the Council submitted a 3 Year Capital Programme of work for the period 2006 - 2008 for funding to carry out restoration works on 580 schemes with a total length of 638 km on both Regional and Local Roads.

- During 2005 the Council also commissioned a Pavement Condition Survey on all regional roads and the results of which have been used to prioritise schemes on the regional road network over the next 3 years.
- The ten year Restoration Programme which began in 1996 was completed in 2005, with Non-National Roads Network showing significant improvement in many areas.
- From 1996 to date approximately 44% (2,653 Km) of the non-national road network (which is 5,987km) has been improved and strengthened with the restoration of a further 638km planned by 2008, 55% of the network will then have been strengthened.
- From 1996 to date approximately 56% (3,636 km) of the Non-National Road Network has been surface dressed.

4. Improvement Works on Non-National Roads.

- During 2005, Members agreed and prioritised schemes for Improvement Works on Non-National Roads for 2006 as follows:

LOCAL AUTHORITY: DONEGAL	PROJECTED EXPENDITURE - €		
PROJECTS	2006 €	Post 2006 €	Total Est. Cost €
L3004 Drennan Bridge*	€600,000.00	€400,000.00	€1,000,000.00
Letterkenny Industry access Rd*	€450,000.00	€550,000.00	€1,000,000.00
Carndonagh Relief Rd*	€300,000.00	€400,000.00	€700,000.00
R251 Glenveagh to Dunlewey*	€300,000.00	€2,700,000.00	€3,000,000.00
R263 Killybegs to Malinbeg*	€300,000.00	€300,000.00	€600,000.00
R251 Foxhall to Churchhill*	€300,000.00	Na	€300,000.00
R245 Croghan to Tamney*	€325,000.00	Na	€325,000.00
Rossnowlagh Link Road*	€300,000.00	€700,000.00	€1,000,000.00
R262 Frosses to Glenties*	€300,000.00	Na	€300,000.00
Tooban/ Burnfoot*	€400,000.00	Na	€50,000.00
Coolaghey Bridge Completion*	€50,000.00	Na	€400,000.00
R245 Letterkenny to Ramelton*	€400,000.00	Na	€400,000.00
Ballybofey/Brockagh*	€300,000.00	Na	€300,000.00
Rossgier to St. Johnston	€300,000.00	Na	€300,000.00
Laghey/ Pettigo*	€300,000.00	Na	€300,000.00
R238 Redcastle - Merville	€300,000.00	Na	€300,000.00
R252 Millwheel to Ballybofey*	€300,000.00	Na	€300,000.00
R245 Milford - Carrigart*	€350,000.00	Na	€350,000.00
Killybegs Industry Road/ Carpet Factory Junction*	€350,000.00	€4,500,000.00	€4,850,000.00
Buncrana Inner Relief Road	€300,000.00	€2,000,000.00	€2,300,000.00
R257 Dore to Dbeg-Mroarty-Ghork*	€300,000.00	Na	€300,000.00
Merville at Community College	€300,000.00	Na	€300,000.00
R245 Milford/Ramelton	€300,000.00	Na	€300,000.00
Muckish Rd	€300,000.00	Na	€300,000.00
Mulrines-Link Road	€300,000.00	Na	€300,000.00
Castlefin Bridge	€300,000.00	Na	€300,000.00
Dunnes/Sallaghagrane	€300,000.00	Na	€300,000.00
Total	€8,625,000.00	€11,550,000.00	€20,175,000.00

* Projects which began in previous years

5. Public Lighting Maintenance and Improvement

- A provision of €1,050,000 is provided in the Draft Budget 2006 for the ongoing Public Lighting Maintenance & Improvement Programme. Included in this amount is €92,800 in respect of the Member's Public Lighting allocation. The overall increase is €68,300 additional on the provision made in 2005. Of this increase €50,000 will be used for Public Lighting Maintenance and €18,300 for Public Lighting Improvement.
- The Public Lighting Improvement Programme provides for replacement of obsolete lighting, in-fill and extensions.
- It is proposed to employ an extra person to update our database of existing lights in the county and with this information, bring forward a new Public Lighting Improvement Programme. Members will be aware that following deregulation of the electricity market the maintenance contract for public lighting can be put out to tender and this matter will be considered in 2006.

6. Specific Allocation - Mulroy Bay Bridge

- A contractor will be appointed to commence fencing work in December 2005/January 2006. The total cost of the advanced fencing was estimated to be €240,000.
- Subject to agreement with the DOEHLG it is intended to advertise the main tender for the bridge and approach road early in 2006 with construction commencing in the summer 2006.
- The estimated construction cost is €15-€20million with an expenditure of €4.5 million envisaged in 2006.

7. Local Improvement Schemes (including Clar)

- The draft budget 2006 anticipates the same level of funding under the Local Improvement Scheme as the actual figure for 2005 which amounted to €2,738,400.

8. Gaeltacht Roads (Scéim Na mBóithre Áise)

- €392,300 was allocated under this heading in 2005 and a similar amount is included in the 2006 draft budget.

9. Non-National Road Design

- **Regional Road Signage Scheme.**

Issues relating to the erection of signage was resolved as of October 2005 with a result that the Council will resume erection of signage in early 2006. A total of 450 signs were erected in 2003 and the Council will erect approximately 750 signs in 2006.

- **Road Design - Strategic Planning Projects**

The road design strategic planning project team was set up in mid 2004. The work undertaken by the team consists of strategic non-national roads projects. Route selection and design is on going in current projects around the County to identify future capital needs.

10. Urban & Village Renewal Programme

- The Roads and Transportation Section provide technical assistance to the Planning and Economic Development Section in the implementation of the Urban and Village renewal programme and in 2006 it is intended to commence the projects at Kilcar Ardara, Milford, Ballyshannon, Magheroarty, Convoy, Castlefin and Raphoe.

11. Council Land Bank Development

- The Road Design Environmental Improvement Scheme team is currently working in conjunction with the Planning and Economic Development Section on the development of various council land banks through the County.

12. Road Safety

- Road safety is a vital public concern and one that affects each of us everyday. Donegal County Council remains committed to reducing the number of fatalities on our roads but as the statistics for Donegal below show more work is required if the rising trend is to be reversed.

Fatalities	1998	1999	2000	2001	2002	2003	2004	2005
	26	27	18	14	17	23	30	27*

* total to the 22nd November 2005.

- **Low Cost Accident Remedial measures** - funding is available from both the DOEHLG and the NRA to implement Low Cost Remedial measures at locations which have a proven treatable accident problem. Donegal County Council has submitted for funding a total of 22 projects in 2006.
- **Road Safety Awareness Campaign** - the Donegal Road Safety Working Group made up of representatives of Donegal County Council, Garda Siochana, National Roads Authority and the HSE will continue with work to promote road safety through poster and leaflet campaigns as well as locally based speed, anti drink driving and courtesy campaigns will be continued in 2006. The draft Budget for 2006 includes a provision of €25,000 under the Road Safety Campaign.
- **School Safety Measure** - 31 schools in County Donegal benefited from the provision of new safety measures, signs and/or flashing lights outside the premises. In addition several other schools have had ongoing problems outside their premises satisfactorily resolved. A total of 21 schools benefited from the €147,000 Clar Allocation for 2005 for the provision of fully funded school flashing lights. A further commitment of €91,000 has been made available to provide flashing lights at 13 remaining schools in the CLAR area in 2006 / 2007.
- **School Wardens** - there are 8 adult school wardens throughout the County and the draft Budget for 2006 includes a provision of €105,000 under this heading.

13. Car Parking

- Car Parking charges are in place in two towns in the County; Ballybofey, Donegal Town and Ballyshannon and it is proposed to introduce car parking charges in Carndonagh and Moville in 2006.

14. Island Roads Co-Funding

- Provision of €120,000 is provided in the draft budget 2006 to provide matching monies to co-fund Department of Community, Rural and Gaeltacht Affairs grants for island roads, marine and other services.

15. Coastal Erosion

- Allocations provided by the Department of Communication, Marine & Natural Resources for coastal protection works are subject to 25% counter funding by the Council. €462,000 was provided by the Department in 2005 for coastal protection works at Lagg, Rathmullan, Meenlaragh, Arranmore, Rosbeg, Maghery, Moville, Inver and the Gweebarra bends.

16. Piers and Harbours Maintenance

- The Draft Budget 2006 includes a sum of €270,000 to cover the cost associated with the maintenance of the County's piers and harbours.

ROADS AND TRANSPORTATION DIRECTORATE - CAPITAL PROGRAMME 2006 - 2008

National Roads Major Capital Projects 2006

- Substantial national road funding was received in 2005. The current status of our major projects are as follows:
 - a. N15 Bundoran to Ballyshannon By Pass - this entire By Pass is expected to open in April 2006.
 - b. N15 Ballybofey / Stranorlar By Pass - approval has been sought from the NRA to publish the Compulsory Purchase Order and an environmental impact statement on the 16km scheme.
 - c. N56 Mountain Top to Illistrin - The Contractor Wills Bros Ltd has been appointed for Phase I of this scheme. Phase I is expected to be completed by mid 2006 and design of Phase II is ongoing.
 - d. N13 / N14 Manorcunningham to Strabane - NRA / Interrreg funding is in place for 2006 to complete Phase IV preliminary design.

Proposed Motorway to the NorthWest

- It is hoped that a Budget of €500,000 can be available in 2006 to progress this important concept. Donegal NRDO has attempted to secure the co-operation of other Councils from Derry City around to Armagh on both sides of the border. The Draft Budget includes an amount of €25,000 as this Councils contribution to the cost of the feasibility study.

Capital Spending for the Next 3 Years.

The table below sets out the estimated Capital spending for each of the next three years:

Scheme	Estimated Expenditure (€ Million)		
	2006	2007	2008
N15 Ballyshannon/Bundoran Bypass	21.500	0.500	0.000
N13 Jn Manorcunningham / Lifford (including A5/N15 links)	0.900	1.0	14.000
N15 Ballybofey/Stranorlar Bypass	1.100	14.000	38.000
N15 Lifford/Stranorlar-Ballybofey	0.100	0.400	0.500
N56 Mountain Top to Illistrin	6.250	10.000	4.500
N56 Mountcharles - Killybegs	0.550	1.000	1.000
Crash Barriers (General)	0.500	0.500	0.500
National Primary Pavement	4.600	4.000	3.000
N3 Ballyshannon - County Boundary Clyhore	0.400	0.100	0.100
N56 Pavement Strengthening	5.300	5.300	5.300
YEARLY TOTALS	€41.200	€36.800	€66.900

Take Over of Housing Estates

- The aim of the Takeover of Housing Estates programme is to provide for the takeover of older estates (pre 1996) and to monitor new estates under construction. To date a total of 81 No. Estates have been taken over in the context of the scheme.

Maritime Development

- There are over 150 Pier and Slipway structures in Donegal. The Council has secured funding from the Department of Communications, Marine & Natural Resources and An Roinn to continue the development and repair of Donegal's piers and harbours in 2005.
- In terms of capital spending for the next three years it is anticipated that the flagship project at Greencastle Harbour to construct a new extended harbour with deep water berth at a total cost of €35,000,000 will be progressed. Funding available under the maritime development programme is subject to the Council providing 25% co-funding.

6.3 WATER, ENVIRONMENT & EMERGENCY SERVICES DIRECTORATE

Requirement 2006: €29,545,700

1. Water Services

Context

- The 2002 Census indicates that 38,000 households in Donegal enjoy piped water supply, 31,600 are supplied directly from public mains with a balance of 6,500 being supplied through Group Water Schemes. Some 4,700 households have private supplies.
- Water is extracted from 88 separate water sources throughout the county and delivered to 52 public water supply schemes and 140 Group Schemes (50+ users) to approx 100,000 consumers. These figures illustrate the scale and spread of the maintenance services the Council funds.
- Almost 24 million cubic metres of drinking water was produced during 2005 - 22.5 million from Council operated public sources, 1 million from sources serving private supplies and 200,000 from cross border sources.
- In relation to wastewater systems, there are 97 public schemes in the County.

Operational Costs

- The draft Budget for 2006 includes the provision of €12,916,600 for the operation and maintenance of water supplies, waste water systems and public conveniences, and represents an increase of €1,633,800 (14%) on the 2005 adopted budget. A breakdown of the provision of €12,916,600 is set out in the Table below:

Type	Amount(€)
Maintenance of Water Supply Schemes	9,637,200
Maintenance of Waste Water Schemes	3,041,400
Maintenance of Public Conveniences	238,000
Total	€12,916,600

- Expenditure on water services has been increasing consistently over the last number of years and a summary of the reasons for this can be set out as follows:
 - Wages and allowances have increased under parallel benchmarking.
 - Costs of operating new Assets
 - Filling staff posts not replaced in recent years to maintain quality standards and expanding pipe networks.
 - Electricity cost increases.
 - Costs of handling and disposal of water and wastewater sludge.
 - Costs associated with increased water conservation activities.

Funding Water / Waste Water Services

- Government policy requires local authorities to charge the full cost of water supply to Non-Domestic Users [NDU's] by the end of 2006. We have engaged consultants to facilitate this and intend appointing a Private Service Provider (PSP) to supply, install, read and maintain customer meters. In order to ensure that adequate funding will be available to operate new infrastructure being delivered under the WSIP, we need to charge full costs by 1st January, 2007. At that time it is likely that we will base our charges on 30% unaccounted for water (UFW). In the meantime we must develop Water Conservation programmes to achieve this reduction in UFW.
- Depending on how UFW is accounted for the following table indicates the appropriate charges. Note: these charges are based on the 2004 expenditure outturn and not on 2006 estimated costs:

€ per m³	No UFW charged	10% UFW	20% UFW	30% UFW	45.65% UFW
Water Supply	0.665	0.739	0.831	0.950	1.125
Waste-water	0.564	0.564	0.564	0.564	0.564
Combined	1.229	1.303	1.395	1.514	1.689
€ per 1,000 gals	5.586	5.923	6.341	6.882	7.677

- Based on 2004 expenditure the cost is €6.88 per 1,000 gallons when allowance is made for 30% UFW. In 2005 a 10% allowance was made. It is recommended that allowance is made for 20% UFW in 2006 so that the council can gradually move towards charging the full cost. This would give the following basis for water services charges for 2006:

	Per Cubic Meter	Per 1000 gallons
Drinking Water	€0.831	€3.78
Waste Water	€0.564	€2.56
Water and Waste Water	€1.395	€6.34

- Based on the above a charge of €1.40 per cubic metre water used, or €6.34 per thousand gallons, is proposed for 2006. Compared to 2005 the increase proposed is 96 cent per 1,000 gallons for consumers representing an increase of 17.8%. Separate arrangements will be entered into with major consumers subject to Specific User Agreements, and with consumers who provide some level of private waste-water treatment.

Charges:

Type of Premises	Metered Charge	Fixed Charge
Non-domestic	€6.34/1,000 gallons €1.40/m ³	€436
Field supply	€6.34/1,000 gallons €1.40/m ³	€236
Non-domestic with a domestic unit	First 50,000 gallons/annum free €6.34/1,000 gallons €1.40/m ³	€236
Meter Rental		€30/annum

It is estimated that this measure together with new accounts which have been targeted will increase revenue by an amount of €1,204,400.

2. Environment Services

Introduction

- The operational Budget for Environment Services is divided into the following headings:
 - a. Waste Management
 - b. Environment Campaign, Blue Flag Beaches and Water Safety
 - c. Pollution Control
 - d. Emergency Services.

(a) Waste Management

- Waste collection and disposal must be paid for directly by the users of this service in compliance with the Government's 'Polluter Pays Principle'. Landfill gate fees of €150.00 per tonne is proposed for the year 2006 to cover the cost of waste management (including the cost of developing new landfill capacity as for example Ballinacarrick and Meenaboll and remediating existing landfills) which represents a 9% increase (when the Government levy of €15 is included or 10% of the Council's element). The €150.00 proposed charge per tonne was derived by the need to fund from landfill charges the balance between total expenditure and receipts for environmental services. The balance of €4,605,000 divided by a projected tonnage of 30,700 tonnes gives the cost per tonne at €150.
- To put the Council's charge in some context the Table on the next page sets out current landfill charges throughout the country in 2005:

Price Per Tonne	Local Authority	Price Per Tonne
€ 240.00	Cork Co. Co.	€ 240.00
€ 201.00	Wicklow Co. Co.	€ 201.00
€ 180.00	Fingal Co. Co.	€ 180.00
€ 180.00	Wexford Co. Co.	€ 180.00
€ 170.00	Kerry Co. Co.	€ 170.00
€ 165.00	Tipperary SR	€ 165.00
€ 165.00	Kilkenny Co. Co.	€ 165.00
€ 150.00	Mayo Co. Co.	€ 150.00
€ 146.00	Roscommon Co. Co.	€ 146.00
€ 145.00	Carlow Co. Co.	€ 145.00
€ 140.00	Limerick Co. Co.	€ 140.00
€ 140.00	Westmeath Co. Co.	€ 140.00
€ 140.00	Tipperary NR	€ 140.00
€ 140.00	Offaly Co. Co.	€ 140.00
€ 140.00	Laois Co. Co.	€ 140.00
€ 137.50	Donegal Co. Co.	€ 137.50
€ 135.00	Clare Co. Co.	€ 135.00
€ 130.00	Galway Co. Co.	€ 130.00
€ 125.00	Cavan Co. Co.	€ 125.00
€ 120.00	South Dublin Co. Co.	€ 120.00
€ 120.00	Louth Co. Co.	€ 120.00
€ 115.00	Monaghan Co. Co.	€ 115.00
€ 115.00	Waterford Co. Co.	€ 115.00

- In 2005, at €137.50 per tonnage the Council were 16th on the league table for landfill charges.
- There are 57 bring banks sites in the County with 44 of these having a textile recycling bank with paper and plastic recycling available at 3 locations.
- A New Civic Amenity Site in Stranorlar was opened on the 15th December 2005 and provides an integrated recycling facility dealing with a full range of materials.
- It is planned to develop new Civic Amenity Sites at Laghey and Letterkenny in 2006 and to progress planning for sites in Milford and Dungloe. The

introduction of charges for all sites is proposed in 2006.

- In 2005, the County's waste collectors introduced a second collection for dry recyclable materials and some 6,000 households are availing of this new service at their doorstep. A third collection is planned for 2006 where households will be offered a collection for biodegradable wastes.
- Awareness - The Waste Awareness Officer will implement an awareness campaign in 2005 which will involve visiting secondary schools and the use of a comprehensive advertising campaign

(b) Environment Campaign, Blue Flag Beaches and Water Safety

- The Council provides a range of services under these headings including:
 - Annual Clean Up Campaign - Provision made for Annual Clean Up Campaign in 2006
 - Litter Wardens - 3 additional full time wardens were recruited in 2005 bringing the total to 6
 - Mobile Litter Units - funding for two mobile litter units continued in 2005
 - Blue Flag Beaches - The Council will be endeavouring to regain the Blue Flag for Narin-Portnoo in 2006.
 - Water Safety - provision has been included again for lifeguards in the 2005 Budget

(c) Pollution Control

- An amount of €920,700 is included in the draft Budget for 2006 for pollution control. The laboratory service will continue to play a key role in monitoring drinking water sources in 2006.

(d) Emergency Services

Fire Service

- An amount of €5,186,800 has been included in the Budget 2005 for this service
- The County currently has 150 fire fighters based at 16 stations throughout the County including Arranmore.
- Change Programme - The Fire Services Change Programme was launched in February 2005 and sets out to address key areas, such as a risk-based approach to emergency cover,

community cover, competency based approach to personnel issues and to enhance health, safety and welfare over the new few years.

Civil Defence

- An amount of €111,000 is included in the draft Budget for 2005 for the operation of the Donegal Civil Defence (70% recoupable).

WATER, ENVIRONMENT & EMERGENCY SERVICES DIRECTORATE: CAPITAL PROGRAMME 2006 - 2008

Introduction

- Capital Works in the Water, Environment & Emergency Services Directorate are delivered under the following programmes:

1. The Water Services Investment Programme
2. The Rural Water Programme
3. Miscellaneous Schemes Programme
4. The Waste Management Programme
5. Fire Stations and Fire Appliances

1. Water Services Investment Programme

- The Water Services Investment Programme 2005 - 2007 will cost an estimated €335,000,000. It is presented under the following five sub programme headings:

- (a) Major Capital Programme (including rural towns and villages initiative) €259,968,000
- (b) Serviced Land Initiative Programme €3,264,000
- (c) Water Conservation Programme €25,253,000
- (d) Asset Management Study €120,000
- (e) North South SHARE Project €7,500,000

(a) Major Capital Programme (including rural towns & villages initiative)

- Progress on each of the schemes in this programme is set out in detail by Electoral Area in the Director of Services Report.
- It should be noted that in the past schemes on the major capital programme were 100% funded but this is no longer the case. In accordance with the Water Pricing Policy the Council is now required to raise funding from its' Own Resources to cover the marginal capital cost of providing capacity at water or waste water treatment plants to serve the existing non domestic sector and the marginal capital cost of providing spare capacity at water or waste water treatment plants to serve the future non domestic and future residential sectors.

- The requirements therefore for the major capital programme for the years 2006 - 2008 are set out in the Table below:

Table 3 - Major Capital Programme		MATCHING FUNDING	
2006-2008	TOTAL COMMITMENTS	COUNTERPART FUNDING COSTS (DEVELOPMENT CONTRIBUTIONS)	COUNTERPART FUNDING COSTS (NON-DOMESTIC SECTOR)
2006 Major Capital	€73,571,325	€4,064,454	€4,346,976
2007 Major Capital	€94,239,007	€5,424,997	€5,455,997
2008 Major Capital	€78,300,000	€4,350,000	€4,350,000
TOTAL	€274,102,755	€13,839,451	€14,152,973

- For 2006, for total expenditure of €73,571,325, it can be seen that €4,064,454 will be required from development contributions to fund spare capacity at treatment works, and €4,346,976 will be required to fund capacity at treatment works for the existing non-domestic sector - recoverable from the non-domestic sector.

(b) Serviced Land Initiative Programme

- Details by Electoral Area on the Serviced Land Initiative Programme are set out in the Director of Services report.
- The total value of commitments under the Programme is €6.469 million. 40% of this programme is funded by the DOEHLG and the remaining 60% has to be raised locally through Development Contributions.

(c) Water Conservation Programme

- The Councils Water Conservation Programme was revitalised by the Department sanction in principle of a programme of expenditure in the region of €25.3m. The Department's approval of the Council's Implementation Strategy Report for Water Conservation has allowed

established priority works, estimated at €4.83 million to proceed.

- Works commenced on Stage I during 2005.

Non - Domestic Metering Project

- The Council appointed Nicholas O'Dwyer Ltd and Parsons Brinckerhoff to act as clients representative for its non domestic water metering project. Following the compilation and analysis of data, detailed consultations with staff and other stakeholders, sample surveys of customers and connections, and preparation of several background reports, a Preliminary Report for this project was finalised.
- The project will be delivered in two distinct stages as follows; (a) Design/Build stage; 12 months (end of 2006/early 2007) and (b) Maintain/Operate Stage; 10 years (to end of 2017).

(d) Asset Management Study

The study will build on existing work on mapping water and wastewater networks under the "Complete Information System" so as to build up an accurate picture of network deficiencies and to identify priorities for network rehabilitation and replacement.

(e) North South SHARE Project

Donegal County Council was invited to act as the lead authority for the implementation of this project, to promote and co-ordinate sharing of sources between Local Authorities.

2. Rural Water Programme

- Rural Water Funds were allocated under five separate sub programme headings in 2005 as follows:

Sub Programme	Amount €
Design, Build Operate Schemes	650,000
Connect to Public Mains	0
Take Over of Group Schemes	620,000
New and upgrade Group Schemes	900,000
Small Public Water and Sewerage Schemes	650,000
Total	€2,820,000

3. **Miscellaneous Schemes Programme**

- A Table setting out the breakdown of expenditure under this programme is given in the Director of Services report.

4. **Waste Management Programme**

- The Council currently has one operational landfill at Ballinacarrick, Ballintra. The EPA has recently issued a preliminary decision to grant a licence for a substantial extension of the Ballinacarrick site. Over €4m has been spent on the Ballinacarrick site to date.
- It is planned to commence construction on Ballinacarrick Phase 2.
- It is planned to complete review of the Waste Management Plan and Sludge Management Plan.

5. **Fire Stations & Fire Applicances**

- In 2005, contracts were awarded for the construction of new fire stations at Glenties and Dungloe.
- The approval of the Department has been sought to proceed with a new fire station in Moville.
- Approval for funding to provide separate fire stations at Ballyshannon and Bundoran in place of a single station at Finner has been sought from the Department.
- Funding for the new Fire Stations is provided by means of Capital Allocation from the DoEHLG, normally 100% funding available less the value of the old Fire Stations.

6.4 PLANNING & ECONOMIC DEVELOPMENT DIRECTORATE

Requirement 2006: € 4,587,800

1. Development Control

- To the end of November 2005 the number of planning applications received was 6,726 and a comparison with other Counties is set out on the table below:
- **Comparisons with other Counties**

County	Applications received to the 30/11/05
Cork	8827
Donegal	6726
Galway	4571
Kerry	4094
Mayo	3270

- The percentage of invalid applications has decreased from 27% in 2003 to 20% this year, however, it is still alarmingly high and is placing unreasonable workloads on the planning system. Planning staff engaged with a large number of Architects / Agents earlier in the year in an effort to reduce the unacceptable level of invalid applications.
- The total number of applications granted/refused and deferred in County Donegal compares with the national average but significantly the Council at 66% is well ahead of the national average of 56% which were decided within 8 weeks of submission.
- Additional resources were made available to the Planning Service in 2005 to cope with the additional workloads created by the continued high number of planning applications and the introduction of the registration of quarries. Provision has been made in the draft Budget in this regard and an additional €399,600 for Administration costs is included.

2. Unauthorised Development

- Three injunctions, 14 enforcement notices and 76 warning letters were issued in 2005 so far. In the second half of this year 3 enforcement officers were appointed, one for each pair of Electoral Areas to assist in effectively responding to complaints.

3. Town Renewal Tax Incentives Scheme

- The Town Renewal Tax Incentives Scheme which was introduced in 2000 designated 200 sites within five towns for tax relief incentives. To date 25 preliminary certifications and 15 final certifications have been issued. The closing date for completing works under the scheme is 31st July 2006.

4. Irish Central Border Area Network

- In 2004 an application for funding under Interreg IIIA, Seaside Towns, improving the image of a traditional resource was approved by ICBAN in the sum of €240,000.
- The funding was used to carry out enhancement works at Donegal Town, Bundoran and Bunrana. A provision of €25,000 amount has been included in the draft Budget to co-fund the Secretariat and other inter regional activities including NASC.

5. Integrated On-Line Planning Search Facility

- The on-line planning system has proven to be a great success with the e-plan system having on average 50,000 hits per month and g-plan which is the digital mapping system having in the region of 46,000 per month.
- In the summer of 2005 the Planning Department participated in a pilot project for the Department of the Environment, Heritage & Local Government of receiving applications electronically.
- The Department is to further advance this process in the coming year. Feedback from the public on the services available to them has been positive to date and indeed this is reflected in the vast number of people who log on.

6. Proposed Improvements in Customer Service 2006

- The Council receives in the region of 100,000 queries annually in relation to planning. The Council's website contains a frequently asked questions section which is intended to assist the public.
- It is intended to publish the draft Planning Policy Guideline notes and they shall provide the public with a better understanding of policy/ practices and enable the planning service to produce greater consistency in planning decisions.

7. Pre Planning Consultation

- During 2005 the Council have put in place a computerised system for tracking pre planning consultations which has been developed through the LGMSB. It is intended to have the pre planning consultation process fully operational in January 2006.

8. Registration of Quarries

- The Council received 112 applications for registration under Section 261 of the Planning & Development Act up to the 27th April 2005.
- To date the Council have published its views in respect of 64 of the registered quarries and have sought further information in the case of almost 30 quarries.

9. Casual Trading

- A detailed progress report is set out in the Director of Services Report.

10. Central Planning Unit

- The resources of the central planning unit have been concentrated during the past year on the task of preparing the County Development Draft Development Plan 2006-2012.
- The draft plan was on public display during the summer of 2005 and attracted some 350 written responses following an extensive programme of public participation and consultations in the six electoral areas.
- The report on the submissions received was submitted to the Elected Members in November 2005. Members have a period of time now to consider the draft along with the Manager's Report and to decide on what amendments to make to the draft plan.
- A workshop with the members has been arranged for early January 2006 and the plan must be adopted before July 2006.
- The Draft 2006 budget includes provision of €115,000 under this heading.

11. Conservation of the Built Environment

- The Conservation Officer who was appointed in June 2004 deals primarily with the built fabric of the County and in particular deals with owners/occupiers of buildings, which are listed on the record of protected structures. The report from Mr. F. Coyle, Director of Service and his team which is enclosed in the Budget Book clearly sets out the focus and work programme for the Conservation Office in 2006.

- The draft 2006 Budget includes a provision of €130,000 under this heading.

12. Work Programme 2005 - 2006

- In addition to the production of the draft County Development Plan 2006-2012 for the County a number of planning projects were initiated and/or completed in 2006, and are set out in detail in Mr. Francie Coyle's report in this Budget book.

PLANNING & ECONOMIC DEVELOPMENT DIRECTORATE

Capital Programme 2006 – 2008

1. Urban & Village Renewal Programme 2000 – 2006

- In 2005 the Council received an allocation of €554,500 under the BMW Regional Operational Programme 2000-2006. Under the current programme to date, approximately €6m has been invested in the regeneration of Urban Centres with the average cost of each scheme approximately €400,000.
- To date 12 schemes are at various stages of progression from preliminary design through to construction and full details are set out under the Planning & Economic Directorate Report.

2. Village Renewal Work

- In November 2005, an application for €300,000 was made under the Peace II Programme for Village Enhancement Works in 2006.
- In 2005 funding of €572,350 was provided by An Roinn, Gnothai Pobail, Tuaithe agus Gaeltacht for Village Enhancement Works. This funding was co-funded by the Council and brought the total investment in Village Improvement Works in the Gaeltacht to over €1 million.

3. Clar Village & Countryside Enhancement Scheme

- In 2005 the Council agreed to fund projects at Malin, Culdaff and Termon under the Clar Village & Countryside Enhancement Scheme.
- Under the scheme the Local Authority can contribute to a maximum of €10,000 per project.

4. Flagship Projects

- Planning & Economic Development Section are progressing a number of flagship projects throughout the County at Lifford Common, Dungloe and Barrick Hill, Carndonagh.

5. Economic Development Fund

- The Economic Development Fund of €6.3m continues to be a valuable lever to attract investment to the County and create a climate to promote economic and social development.
- A number of landbanks have been purchased in strategic locations which have facilitated indigenous businesses to set up and expand

operations. The fund has also contributed to the cost of providing the Letterkenny Metropolitan Area Network and will support the provision of metropolitan area networks in Ballybofey/Stranorlar, Ballyshannon, Carndonagh, Buncrana, Bundoran and Donegal Town at an estimated cost of €1m.

- While I reviewed with the Members, the option of reducing this Fund, and thereby reducing loan charges, I am recommending the Members continue to operate the Fund at its existing level because of the flexibility it provides to support, telecommunications, land investment in economic infrastructure and thus promote economic activities.

6.5 CORPORATE SERVICES DIRECTORATE

Requirement 2006: €25,376,100

1. The Standard and Quality of our Services

- In 2005 the Council adopted a five year Corporate Plan setting out what we aim to achieve over the next five years. These aims include improving the standard and quality of the services we provide. We have set about measuring this improvement in respect of a range of services.
- The performance of the Council against a set of 42 nationally predetermined service indicators was published by the Local Government Management Services Board in the middle of 2005.
- The results provided encouraging results in a number of areas where as the outcome in other areas indicated the need for significant improvement.
- In early 2006 a Draft Customer Action Plan will be discussed with the Elected Members which will focus on the setting and achievement of a range of clearly defined customer service standards in terms of quality, timelessness and efficiency. The Plan will also provide for the introduction of a formal complaints/appeal system in activity areas where such services are not currently available.

1.1 New Services

- The redesign and enhancement of the Council's website continued in 2005 and is nearing completion.
- In 2005 the Minister approved a 3 year scheme under the Official Language Act with the development and enhancement of services through the Irish medium.
- Priority will continue to be given to the development of the Public Services Centre for the Stranorlar Electoral Area in partnership with the newly established Health Service Executive.
- The further establishment of Outreach services will continue to be actively pursued during 2006.
- Work is progressing on a comprehensive review of the Committee structures of the Council.

1.2 Health & Safety

- The Health & Safety and Welfare at Work Act 2005 came into law on 1st September, 2005 and places significant responsibilities on all employers in relation to safety, health and welfare of their employees. During the latter half of 2005, the Council was subject to a number of Health & Safety visits carried out by the Health & Safety Authority. The Council is working actively under the guidance of the Authority to review policies, work practices, responsibilities, staff training and so forth to enable us to comply fully with our obligations to staff, the public, contractors, sub contractors and other stakeholders. The draft budget for 2006 includes provision for strengthening the staffing structure in this area which will assist the Council in meeting its obligations in this regard.

2. Human Resources

(a) Implementation of Better Local Government - A Programme for Change and the decentralisation of services by Donegal County Council.

- To date five electoral area offices are fully operational throughout the Council. Options will continue to be explored in conjunction with the Health Service Executive with regard to the provision of the Public Services Centre for Stranorlar Electoral Area.

(b) Implementation of Sustaining Progress Pay Agreement and Benchmarking.

- Progress Report on the implementation of the Local Action Plan which was prepared in accordance with the pay increases under the Sustaining Progress Pay Agreement has been submitted to the Performance Verification Group following adoption by the County Partnership Committee.

- **Parallel Benchmarking**

A separate parallel benchmarking process has been agreed nationally in relation to the craft workers, general operative and related grades. The approval of the Elected Members was obtained in December 2005 to implement the new pay rates.

The increase in the Local Government Fund will meet the costs of centrally agreed salary/wages increases, as well as contributing to the costs of re-structuring and new posts.

(c) Training & Development

- In 2006, it is intended to deliver a comprehensive training programme for Staff and Elected Members.
- The Performance Management Development System which commenced in 2005 provides managers with the skills required to deal with the development and training needs of their staff in addition to providing mechanisms to identify and deal with performance issues.
- A total of €253,000 has been provided for training and development in the Draft Budget. A provision of €424,300 is made in respect of the Regional Training Centre funded by training fees paid in respect of the various training courses.

(d) Workshop Partnership.

- A provision of €86,100 is provided in the Draft Budget under this heading.
- Donegal has been selected as one of the pilot partnership for the role out of LANPAG project handling significant change through partnership.

3. Motor Taxation Services

- Motor taxation and related services are now available within the five public services centres at Carndonagh, Milford, Letterkenny, Dungloe and Donegal Town as well as Lifford.
- In addition, applicants can also avail of motor taxation services online at www.motortax.ie.
- The projected motor tax receipts and transactions for 2005 are outlined below.

	Revenue	Revenue %	Transactions	Transactions %
Lifford	€3,075,788	13%	23,375	14%
Donegal Town	€4,549,480	19%	31,816	19%
Letterkenny	€6,808,313	29%	50,525	30%
Carndonagh	€4,479,992	19%	30,241	18%
Dungloe	€2,728,299	12%	18,658	11%
Milford	€1,833,485	8%	13,585	8%
Total	€23,475,357	100%	168,201	100%

- Total postal applications received to November, 2005 were 12,751. 97% of postal applications are dealt with on the day they are received with the remaining 3% dealt with within 3 days.

4. Customer Service Provisions from Public Services Centres

- There continues to be a year on year increase in customer contacts, both in person and by phone of approximately 7% and 21% respectively.
- There has been a significant increase in the income collected; €12.02m collected in 2005 versus €9.09m in 2004 an increase of 32%.
- The Council continues to take initiative in a range of areas to bring information into people's home with advancements in technology through development of our ICT system, e.g. online planning and over time it is expected that such an initiative should see a reduction in the need to contact the Public Services Centre for basic information.
- A review of methods of paying for services through a range of mechanisms is being actively pursued. In addition the potential to extend opening hours in 2006 is being explored with staff and their representative organisations.

5. Development of Outreach Centres.

- In October 2005 the Council provided an outreach service delivery centre from Ballyshannon.
- It is intended to develop this concept further with similar proposals under consideration for Buncrana as an outreach for Carndonagh to be advanced in 2006.

6. Forbairt Na Gaeilge

- A total sum of €109,100 is included in this years budget for the development of services through Irish. The main focus over the coming year will be the implementation of the Donegal Local Authority Scheme under Article 11 of the Official Languages Act 2003.
- The Council will continue to support the Scholarship Scheme, a unique and widely appreciated partnership between the Council through its Coiste na Gaeilge and the Summer colleges in Donegal.
- Under the scheme the Council and Gaeltacht Colleges will provide a total of 33 full Gaelteacht Scholarships for young people from Donegal between 10 and 18 years of age.

- A translation budget of €5,000 is provided in the Draft Budget for 2006 to provide support for the Irish Language Office.

7. Higher Education Grants.

- In 2005 there was a 4.7% increase in income limits for the ordinary rate of maintenance grants and a 6.35% increase in the income levels for the special "top up" rate of maintenance grant.
- A total of 367 "top up" rate of maintenance grants were awarded in 2005.
- Over 1,511 applications were processed in 2005. Of these 1321 were awarded to undergraduate/post graduate students in Ireland and undergraduate students in the UK. A total of 125 undergraduate awards were made to students attending colleges in England and Scotland.
- The 2006 Draft Budget provision of €5,250,000 for maintenance grants/fees is an increase of €121,000 on the expected 2005 outturn of €5,129,000.

8. Franchise and Elections.

- The 2006 Draft Budget provision of €149,500 covers salaries of staff engaged in the preparation of the Register of Electors and associated expenditure on printing, stationary, advertising and postage.
- A requirement to produce annually an edited register came into force in November, 2004.
- A facility is now available on the Council's website through which a voter can check if their name is on the register.

9. Information Services.

(a) Communications Office.

- The Communications Office has responsibility for receiving and co-ordinating
 - (i) requests under the Freedom of Information Acts 1997 to 2003
 - (ii) complaints received from the Office of the Ombudsman
 - (iii) Annual Report and Public Relations activity.
- 40 requests were received under the Freedom of Information Act to the end of November, 2005.
- The Communications Officer also acts as the first point of contact for queries from local and national media and

ensures that any queries received are immediately directed to the relevant manager.

- A draft media relations policy is currently under discussion and is planned to come into operation in the first quarter of 2006 following the completion of consultation with all relevant stakeholders including staff, elected members and representatives of the media.

10. Information Systems.

(a) Technology Infrastructure and Networks

- The draft budget for 2006 includes provision of €2,656,200 under this heading.
- The implementation of the Councils Information systems strategic plan 2002-2005 continued during 2005 and the work ranged from network maintenance and expansion to systems development and implementation as well as the progression of Broadband and information society strategies.
- Donegal County Council infrastructure currently comprises 57 servers, 1,130 PCs and 550 printers, 13 PABX telephone systems and 850 telephone handsets.

(b) Members Computer Project.

- 2005 saw the completion of Phase 1 of the Council's Members computer project where each member was supplied with a laptop computer and a printer/scanner/copier.
- In 2006 the information systems department will work with each Council member to upgrade their individual connection to Broadband standards where broadband is available.

(c) Ernact

- Through participation in the ERNACT network since its foundation in 1990, Donegal County Council has been involved in a range of European Interregional as well as cross border public sector information society technology projects,
- The ERNACT network was successful in the submission of an e-Government project for funding under measure B2 of the interreg 3 "Atlantic Area Programme" - access to the information society. The project aims to develop a network of e-Communities in the atlantic area to enhance citizen participation in the decision making process within the regional/local administrations.

- Since 2004 the Council has been engaged in the Border Corridor Digital Economy Network Project which seeks to implement the digital economy strategy in the North West Cross Border Group Region (NWCBGR) and replicate the process that led to its development within the ICBAN and east border regions.

(d) Broadband - Critical Infrastructure for Donegal

- In 2003 the County's first Metropolitan Area Network was constructed in Letterkenny. During 2005 planning work on six other networks was carried out in cooperation with the Department of Marine and Natural Resources and construction work on these networks will commence in 2007.
- It is envisaged by early 2007 that all towns in the county with a population over 1,500 will possess viable based open access network servicing their advanced telecommunication needs for a considerable period of time.
- The Department of Communications Marine and Natural Resources has approved eight schemes under the group broadband schemes which promotes the roll out of the broadband services in rural areas on the basis of local authority coordination and community driven initiatives.

CORPORATE SERVICES: CAPITAL PROGRAMME 2006 - 2008

1. Existing Decentralised Offices

- There is a loan charges provision of €2,055,400 in the Draft Budget in respect of provision of office accommodation.

2. Stranorlar Electoral Area Office

- A submission was sent to the Department of the Environment, Heritage & Local Government on 14th December 2004. The cost of the office is estimated at €4.4million. Grant assistance in the sum of circa €1.0m is being sought.

3. County House - Phase II

- The completion of the renovation of the County House will be funded from the proceeds of the disposal of Council assets over the next 3 - 5 years.

6.6 FINANCE DIRECTORATE

Requirement 2006: €15,764,200

1. Introduction

- The Finance Department has borne a heavy workload and responsibilities in recent years having to cope with significant increases in expenditure and investment, huge changes in organisation and staffing as well as the installation, testing and maintenance of new budgeting and financial systems.

Some of the highlights from the work of the Directorate are set out below:

2. Financial Management System Developments

- The Government Modernisation Programme (including for Local Authorities) sought to improve the efficiency and effectiveness in the operation of organisations and agencies in its remit. The installation of Modern Computer Based Systems allied to best accounting practice has now largely been achieved for Local Authorities. As well, like other Local Authorities we are faced in 2006 with the implementation of a new version of the Agresso software suite. This is a major revision and we will be implementing same from April to early Summer in both Donegal County Council and the Town Councils.
- The Draft Budget for 2006 includes for the staffing and support of the Finance Directorate to obtain the best outcomes in terms of such new developments and the far reaching change in Accounting Practice when compared to a number of years ago. It is reasonable to say that a lot has been achieved by all Local Authorities in a relatively short space of time and compares very favourably with other Government Agencies in the progression of their Modernisation Agenda.

3. Collection of Water Charges

- The Corporate Directorate assumed full responsibility for billing, customer relations and follow up of payment during 2005. Corporate Directorate is doing this, working closely with the Water Directorate at local level.
- We have included for an additional 2,500 new customers at fixed charges of €436 to yield €1,090,000 in the 2006 Draft Budget as part of the rollout of the Non Domestic Metering Programme.
- In 2005 a lot of progress was made in relation to identification of new customers across the county. In excess of 500 new accounts were issued as a result of ongoing work mainly by Corporate Directorate at the Local Area Offices supported by the Finance Directorate in 2004 and in 2005.

4. Funding of Local Government - Indecon Study & Needs & Resources Model

- Indecon Consultants were appointed to undertake a study of the Funding of Local Government, and I understand the Report is due to be published shortly. When the Report is available, discussions will be initiated with the Elected Members to explore opportunities it may provide to review funding opportunities.

NEEDS & RESOURCES MODEL

- This model introduced in tandem with the initiation of the Local Government Fund in 1998/1999 continues to provide Donegal County Council with a significant level of funding from this particular source in the overall Local Government Fund Allocation.
- Over the years since its introduction this model has attempted to introduce some level of resource redistribution but it is accepted that as yet it is far from achieving the necessary equalisation desired across all Local Authorities.
- Needs and Resources model for 2006 - There was €16m made available nationally via the Needs & Resources model for over 80 Local Authorities in the state. Of this amount Donegal County Council received €1,048,224.

5. Internal Audit

- €294,900 is included in the Draft Budget 2006 under this heading.
- The Unit, with a total staffing of six, provides the Internal Audit service to the Council and to the Town Councils. The Unit helps the Councils to accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The Unit's remit is to review systems, report findings and make recommendations for improvement or change as deemed necessary.
- The responsibility for the implementation of the findings or recommendations arising from Programmes of Internal Audit rests with the Managers at the appropriate level in the organisation.

6. Loans & Taxation Issues

- The Finance Unit is responsible for the administration of Council's taxation obligations / responsibilities. It is also responsible for payment of all loan charges - both mortgage and non-mortgage related - and for the negotiation of loans sourced from other than the Housing Finance Agency.
- The specialist advice on loans including the options available continually saves the Council money and I appreciate work of staff in the Finance Unit over the past year in reducing interest payments, loan charges and the Councils deficit.

7. Preparation of AFS and Budget

The preparation of the Annual Financial Statement using the new system of accounting (including asset valuation / reporting) has also been a major achievement and is improving year on year.

Finally the work on Budget 2006, which started in mid-year, has entailed a lot of hard work and dedication and I pay tribute to the Head of Finance and all staff in our Finance Department, for the work undertaken in producing the budget book in this format.

6.7. COMMUNITY, ENTERPRISE & CULTURAL SERVICES DIRECTORATE

Requirement 2006: €8,550,900

The Community, Enterprise and Cultural Services Directorate consists of two Divisions - Community & Enterprise and Cultural Services.

Community & Enterprise Division.

The main activities of this unit being proposed for 2006 can be summarised as follows:

1. Fund Management.
2. Donegal County Development Board (CDB) and implementation of An Straiteis (the County Strategy for Economic, Social and Cultural development).
3. Research & Policy Unit.
4. Donegal Youth Council
5. Community Development

1. Fund Management

The Division has responsibilities for a range of funds as follows:

• Donegal County Council led Peace II Task Force	€7,090,330
• The County Council Community Development Fund	€442,000
• The Council Members Development Fund	€184,100
• County Council Bursaries	€16,300
• County Council Tourism Development Fund	€42,000
• County Council Tourism Marketing Fund	<u>€45,000</u>
Total:	<u>€7,819,730</u>

(a) Donegal County Council Lead Peace II Taskforce.

- Funding provided under the EU Programme for Peace and Reconciliation Peace II (is managed by staff of the Community & Enterprise Division acting as the secretariat of the Peace II Taskforce).
- For the period 2002 - 2004 a total figure of €7,090,330 was allocated to 137 projects in County Donegal. In 2005 a total figure of €5,402,714 was spent and drawn down by project promoters. A figure of €1,687,616 remains to be drawn down by project promoters during 2006.

- The EU programme for Peace and Reconciliation has been extended by a further 2 years from the period 2005 - 2006.
- A total of €2.4m has been made available to the Donegal Peace II Taskforce to the extension of the programme - €1.2m for 2005 and subject to funds becoming available €1.2m in 2006.

(b) The County Council Development Community Fund.

- The proposals in relation to funds for 2006 is summarised below.

Project	€ 2006
Greencastle Magilligan Ferry	108,000
Donegal International Airport	50,000
Donegal Ancestry Ltd	50,000
Buncrana/Rathmullan Ferry	105,000
Fleadh Ceol 2006	40,000
Rehab People of the Year	7,000
Junior Achievement Award	7,000
Gaeltacht Community Infrastructure	20,000
Pan Celtic Festival	10,000
Dyslexia Association of Ireland	20,000
Magill Summer School	15,000
Strategic Development Partnership Udaras Na Gaeltachta	30,000
"An Baile Beo" contribution	8,900
Ozanam Centre, Bundoran	20,000
Lifford Athletic Club	20,000
Abbey Centre	25,000
Total:	535,900

(c) Development Fund – Members Allocations.

- The Development Fund Members allocation established an exceptionally effective mechanism that facilitates directly the elected members throughout the local development process from micro financial contributions to community based parish lead projects.
- This funding does make a significant contribution to the community and voluntary activities throughout the county with a figure now approaching €1.4m having been made to the public since 1996. An allocation of €184,100 is proposed in the 2006 Draft Budget to facilitate this aspect of the development.

Among the other key features of the Budget for the Community and Enterprise Unit in 2006 are:

• Bursaries	-	€16,300
• North West Regional Tourism (same as 2005)	-	€40,000
• Donegal Tourism	-	€45,000
• Micro Tourism Product Development (€6,000 increase on 2005)	-	€48,000
• Tourism Marketing (Limavady / Inishowen)	-	€69,000
• Walking Route Development	-	€67,000
• Foyle Ferry (Subvention)	-	€108,000
• Donegal Ancestry (Subvention) (an increase of €20,000 or 66%)	-	€50,000

2. Donegal County Development Board and implementation of An Straiteis (the County Strategy for Economic, Social and Cultural development).

(a) County Development Board (CDB)

- The Community and Enterprise Division is responsible for the co-ordination and management of the County Development Board and the CDB process.
- In 2005, the CDB carried out a comprehensive review of its activities and the implementation of An Straiteis and a work Programme of activities proposed for 2006-2008 was submitted to the DoEHLG.

- In early 2005, the Minister for Enterprise, Trade and Employment established a Donegal Interdepartmental Initiative in response to a deputation from members of the CDB and Donegal County Council.
- The CDB has continued to pilot models of local area planning across the county as part of the integration of Local Government and Local Development.
- The Community and Enterprise Directorate will continue to provide support to the Donegal County Development Process, to sectoral working groups, key initiatives and in the context of implementing the recommendations of the CDB review 2005.
- A figure of €49,500 is included in the draft budget for 2006 to assist the operation of the CDB.

(b) An Straitéis - (the County Strategy for Economic, Social and Cultural Development).

- An Straitéis, the County Strategy for Economic, Social and Cultural Development is the blue print and plan for development in these areas in Donegal for the period 2002-2012.
- There are currently 62 projects on the Project Vision Project Management System which have been funded through a range of internal and external resources across a range of economic sectors in pursuit of the objectives of the Strategy.

In addition the following initiatives will continue to be funded:

- Strategic Policy Unit - The key focus of this unit will be to advise on all sources of external funding and how to access them e.g. E.U., cross border, national, local etc.
- Donegal Youth Council - The work of the Youth Council for 2006 will include among others progressing issues raised in the Donegal Youth Survey 2005. There is a proposal for Donegal County Council to provide matching funds in the sum of €40,500 in the 2006 Draft Budget under this heading.
- Community Development - The Donegal County Forum was set up in 2000 as an umbrella body for the Community and Voluntary Sector in the County. It is the voice of the Community, recognised by the Local Authority and Statutory Agencies as the body to be consulted on community issues effecting the County. A newly appointed Community

Development Officer will assist the Donegal County Forum to conduct an internal review of its structure, procedures and activities. An amount of €43,600 is provided in expenditure in the Draft Budget for 2006, which will be fully recoupable from the DoEHLG.

CULTURAL SERVICES

The main activities of Cultural Services Directorate which are being proposed for 2006 can be summarised as follows:

- 1 **Library Services**
- 2 **Arts Programme**
- 3 **County Museum**
- 4 **County Archives**
- 5 **Heritage Office.**

1 **Library Services**

- A provision of €3,552,700 is included in the draft budget for 2006 for the library service.
- There are currently 17 libraries in the County.
- 2006 will see the development of plans for Donegal Town Community Library following the announcement of stage I approval in principle in October 2005.
- In January 2006, Bundoran Community Library will extend its opening hours from 31 hours to 38.5 hours.
- The Central Library in Letterkenny has become one of six Europe Direct Information Centres around Ireland. The library will provide a range of new services - an information point providing a whole range of free publications; an on the spot questions and answers service; computers with access to the EU's Europa website; a meeting room capable of hosting talks, promotional events, etc.

(a) Taobh Tíre National Research Project

- An interim report was launched in May 2005 which stated that the project was delivering real benefits and recommended a second phase will add additional access points including urban points.
- Four additional sites were developed in Letterkenny, Falcarragh and Pettigo.

(b) Cross Border Mobile Library

- The Western Education and Library Board are the Council's partners in this project which is supported by the EU Programme for Peace and Reconciliation until June 2006.

(c) Inspiring Readers

- This project has established 12 new reading groups for adults and children, delivered training to 34 libraries staff, launched stories on the web and delivered 40+ events to over 1800 people. In 2006 the Inspiring Readers will roll out the Reading our Histories Programme, run the One Book Promotion and organise further training on community/conflict issues and on reader development.

2. Arts Programme

Regional Cultural Centre Letterkenny - the Project commenced construction in August 2005 and is due to be completed in November 2006 at a total project cost of €4,530,000. The Centre will be a high profile, prestigious, civic building, located alongside An Grianán Theatre.

Exhibitions - The Exhibitions Programme will continue in 2006 with such exhibitions as the "Four Lights" featuring the work of Donegal artists.

9th Annual Bealtaine Festival for Older People - 60+ events countywide including film, reading, storytelling, concerts and specially commissioned projects in partnership with the HSE and other agencies will be held in May 2006.

Errigal Arts Festival - A dedicated Festival General Manager and a Temporary Festival Director will be appointed for this Festival in 2006. The draft budget for 2006 includes a provision of €60,000 as a contribution towards this Festival.

Donegal Bay and Blue Stack Festival - The Donegal Bay and Blue Stacks Festival will present its sixth programme in 2006. A draft budget for 2006 includes a provision of €45,000 for a contribution to this Festival.

An Grianan Theatre - Donegal County Council proposes to increase its revenue support in the Draft Budget in 2006 to An Grianan Theatre to €105,000. Highlights in 2006 will include a Summer Tour of the theatre's 2005 commissioned play, The Witching' Well and a new, An Grianan Theatre produced Christmas show.

Public Art - 2006 will see the launch of www.publicartdonegal.ie, revision of the current Public Art Policy in line with the National

Guidelines on Public Art, the launch and deliver of Donegal County Council Public Art Plan 2006 - 2010 and a number of commissions.

3. County Museum

- In 2006 the Museum will develop and design an innovative hands on interactive exhibition aimed at the under 12s as part of the Peace Building in the Border Counties Project.
- The Museum will also organise an exhibition of artefacts from the archaeological excavations carried out along the route of the N15 Bundoran-Ballyshannon Bypass.
- In 2006, the present workshop and store room situated in the Museum at the High Road will be moved to a new ready built leased warehouse.

4. County Archives

- The draft budget for 2006 includes a provision of €168,700 for expenditure under this heading.
- In 2006, the County Archives will continue to hold exhibitions and information days.
- In 2006 a major updated survey of Donegal Local Authorities non-current records will be undertaken and a plan for effective records management and record-keeping will be undertaken.

5. Heritage Office

- The key activities in which the County Donegal Heritage Office will be engaged in 2006 is to prepare, publish and launch the first 5 year County Donegal Heritage Plan in conjunction with the Donegal Heritage Forum. The aim of the Donegal Heritage Plan is to gather knowledge, raise awareness, encourage appreciation of the natural, built and cultural heritage of our County and promote best practices in the management of our heritage for the enjoyment of present and future generations.
- The Heritage Office will co-ordinate Heritage events in County Donegal as part of the "Heritage Week" which will take place from August 27th to September 3, 2006.
- In 2005, over 44 heritage events took place at regional venue across the County. This was the fourth highest number of events organised in any County in the Country and was double the number of events in the County from the previous year.
- Flight of the Earls - Donegal County Council appointed a co-ordinator for the continuously expanding programme of events planned for the Flight of the Earls commemoration in 2007.

**COMMUNITY, ENTERPRISE & CULTURAL SERVICES
DIRECTORATE:
CAPITAL PROGRAMME 2006 - 2008**

1. **COMMUNITY INFRASTRUCTURE**
BONNEAGAR POBAIL

Playgrounds/Áiseanna Súgartha

Projects prioritised by the Members for 2005 are the subject of an application to the Donegal County Council Led Peace 11 Task Force for funds. Additional demand remains and it is proposed that during the period 2006 to 2008 direct investment of €498,000 per annum will be made across the 6 electoral areas on a multi-annual basis.

2. **LOCAL AUTHORITY CORE FUNCTION LIBRARIES**
CROÍ-LEABHARLANNA AN ÚDARÁIS ÁITIÚIL

Approval has now been received for the development of the Donegal Town Library which will be progressed in 2006 at a cost of €1.4m. Approval is awaited for the development of the Gweedore, Ballybofey/Stranorlar and Central Libraries.

Cultural Centres/Ionaid Chultúrtha

Cultural centres to be developed during 2006 are Teach Cathal Uí Shearcaigh (€0.25m) and the Regional Cultural Centre (€4.53m).

3. **TOURISM/LOCAL AMENITY INFRASTRUCTURE**
BONNEAGAR TURASÓIREACHTA / TAITNEAMHACHTA

Walking Routes/Bealaí Siúlóide

It is proposed under the Development Contribution scheme to allocate €50,000 per annum to develop existing and create new walking routes for amenity and tourism recreation purposes.

Marina Development/Forbairt Muirí

It is proposed that Marina developments will progress both at Burtonport and Tory during 2006 with the other remaining centres identified within the report developed in subsequent years.

Beach Centre/Ionad Trá

To complete the pilot beach management programme at Rosnowlagh it is proposed that an investment of some €1,465,000 in 2006 will establish the infrastructure to support this initiative.

The proposed source of funding from the Council in regard to the projects listed at 1, 2 and 3 is the Development Contribution Scheme.