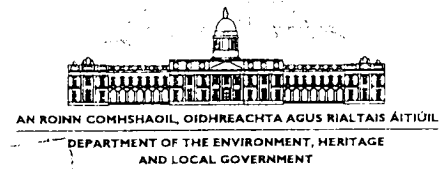


19 December 2007



Circular Fin 20/2007

Head of Finance
Donegal County Council

LGF General Purpose Allocations 2008

A Chara,

I am directed by Mr. John Gormley, T.D., Minister for the Environment, Heritage and Local Government to inform you that the general-purpose allocation from the Local Government Fund for Donegal County Council for the year 2008 is €44,097,787. Details of the basis for the calculation of your grant are set out below.

Details of the Allocation

The allocation consists of the following elements:

- An across-the-board increase of 4.5% on your authority's 2007 final allocation of €41,556,957. This amounts to €1,870,063.
- A sum of €670,766 for equalisation via the Needs and Resources model. As previously advised, equalisation for 2008 is calculated in proportion to each local authority's share of equalisation over the past five years, as established by the Needs and Resources model.

The amount available for equalisation in 2008 is comparatively low due to the more difficult fiscal context within which the allocations are framed.

- The proposed review of equalisation that will lead to the development of a replacement equalisation model is expected to get underway in 2008. This review will take account of changes in local authorities' expenditure and income trends in recent years and other factors, such as the implementation of the new costing system. The review will be carried out in partnership with local authorities.

Rates and Local Charges

The allocations approved by the Minister will provide a significant contribution towards the current expenditure needs of your authority for 2008. General purpose grants have, over recent years, been increasing faster than the rate of inflation. In addition, the provisions of the Local



Government (Business Improvement Districts) Act 2007 have accelerated the flow of income to local authorities from new and revised valuations. Accordingly, the Minister requests that local authorities again exercise restraint in setting any increases in commercial rates and local charges for 2008, in order to support competitiveness in the economy, nationally and locally, and to protect the interests of communities. Local authorities have responded positively to previous requests for restraint and, in light of the current, more challenging environment for business, it is strongly urged that they continue this restraint.

Development Contributions

In briefing their councillors for their 2007 budgets, local authorities were asked to provide detailed information on development levies in the context of the local authority budgetary process. While income from this source has to be used for designated capital purposes, full information on this funding will facilitate elected members in taking a more comprehensive view of the council's financial position and spending plans. Local authorities are again requested to provide the following information to council members, in the context of the 2008 budget meeting:

- an up-to-date statement of the total balance of income from this source,
- an estimate of the amount of development levies that will be collected in 2008, and
- an indicative statement of the council's proposals on the application of this funding in 2008.

Value for Money/Costing

The Minister is aware of the many initiatives undertaken in recent years to support efficiency and value for money in the local government sector, including the new financial management systems, five-year multi-annual capital investment programmes, value for money auditing, expanding e-enablement and the new costing system which will facilitate authorities in assessing their unit costs over time and in comparing costs, on an appropriate basis, with other local authorities. In addition, the establishment of audit committees with a wide remit and financial expertise will, over time, improve efficiency and value for money.

In the context of presentation of the 2008 budget to local authority members for adoption, Managers should brief members on the broad implications of the costing system for the budget format going forward. In particular, the new system will lead to greater transparency in the financial affairs of local authorities and in the presentation of financial data. It will strengthen the ability of local authorities in terms of value for money and efficiency, and it will be of considerable benefit to councillors in supporting their role in monitoring performance and in taking a strategic overview of local authority activities.

Where the 2008 budget is prepared for adoption in the current format and subsequently converted to the new format (by end February 2008), Managers should bring the budget in the new format to the next Council meeting following conversion. Members should be asked to note (i) the new format and (ii) the fact that expenditure for 2008 and subsequent years will be monitored on the basis of the new service structure.

Finally, the 2008 budgetary process is an opportunity for elected members and management to continue to widen and deepen their examination of the scope for efficiencies and rationalisation of expenditure arrangements in all service areas in 2008.

Queries on Allocations

Queries in relation to this circular may be made to the relevant personnel set out in the Appendix attached.

Mise le meas,

A handwritten signature in black ink, reading "Frank Gallagher". The signature is written in a cursive style with a long, sweeping tail on the letter "g".

Frank Gallagher
Principal Officer,
Local Government Finance Section.

Local Government Finance Contact Details		
Carlow	County Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Carlow	Town Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Cavan	County Council	Kate Carmody (01) 8882463 / Paul Furey (01) 8882460
Cavan	Town Council	Kate Carmody (01) 8882463 / Paul Furey (01) 8882460
Clare	County Council	Audrey Carroll (01) 8882799 / David Drea (01) 8882602
Ennis	Town Council	Audrey Carroll (01) 8882799 / David Drea (01) 8882602
Kilrush	Town Council	Audrey Carroll (01) 8882799 / David Drea (01) 8882602
Cork	City Council	Audrey Carroll (01) 8882799 / David Drea (01) 8882602
Cork	County Council	Audrey Carroll (01) 8882799 / David Drea (01) 8882602
Fermoy	Town Council	Audrey Carroll (01) 8882799 / David Drea (01) 8882602
Macroom	Town Council	Audrey Carroll (01) 8882799 / David Drea (01) 8882602
Mallow	Town Council	Audrey Carroll (01) 8882799 / David Drea (01) 8882602
Kinsale	Town Council	Audrey Carroll (01) 8882799 / David Drea (01) 8882602
Midleton	Town Council	Audrey Carroll (01) 8882799 / David Drea (01) 8882602
Youghal	Town Council	Audrey Carroll (01) 8882799 / David Drea (01) 8882602
Clonakilty	Town Council	Audrey Carroll (01) 8882799 / David Drea (01) 8882602
Cobh	Town Council	Audrey Carroll (01) 8882799 / David Drea (01) 8882602
Skibbereen	Town Council	Audrey Carroll (01) 8882799 / David Drea (01) 8882602
Donegal	County Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Buncrana	Town Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Bundoran	Town Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Letterkenny	Town Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Dublin	City Council	Kate Carmody (01) 8882463 / Paul Furey (01) 8882460
D.Laoire/Rathdown	County Council	Kate Carmody (01) 8882463 / Paul Furey (01) 8882460
Fingal	County Council	Kate Carmody (01) 8882463 / Paul Furey (01) 8882460
Sth Dublin	County Council	Kate Carmody (01) 8882463 / Paul Furey (01) 8882460
Galway	City Council	John Jordan (01) 8882998 / Fiachra Redmond (01) 8882459
Galway	County Council	John Jordan (01) 8882998 / Fiachra Redmond (01) 8882459
Ballinasloe	Town Council	John Jordan (01) 8882998 / Fiachra Redmond (01) 8882459
Kerry	County Council	Audrey Carroll (01) 8882799 / Breda Vaughan (01) 8882462
Killarney	Town Council	Audrey Carroll (01) 8882799 / Breda Vaughan (01) 8882462
Listowel	Town Council	Audrey Carroll (01) 8882799 / Breda Vaughan (01) 8882462
Tralee	Town Council	Audrey Carroll (01) 8882799 / Breda Vaughan (01) 8882462
Kildare	County Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Athy	Town Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Naas	Town Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Kilkenny	County Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Kilkenny	Borough Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Laois	County Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Leitrim	County Council	John Jordan (01) 8882998 / Fiachra Redmond (01) 8882459
Limerick	City Council	Audrey Carroll (01) 8882799 / Breda Vaughan (01) 8882462
Limerick	County Council	Audrey Carroll (01) 8882799 / Breda Vaughan (01) 8882462
Longford	County Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Longford	Town Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Louth	County Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Drogheda	Borough Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Dundalk	Town Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Mayo	County Council	John Jordan (01) 8882998 / Fiachra Redmond (01) 8882459
Ballina	Town Council	John Jordan (01) 8882998 / Fiachra Redmond (01) 8882459
Castlebar	Town Council	John Jordan (01) 8882998 / Fiachra Redmond (01) 8882459

Local Government Finance Contact Details		
Westport	Town Council	John Jordan (01) 8882998 / Fiachra Redmond (01) 8882459
Meath	County Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Kells	Town Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Navan	Town Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Trim	Town Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Monaghan	County Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Carrickmacross	Town Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Castleblaney	Town Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Clones	Town Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Monaghan	Town Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
North Tipperary	County Council	Audrey Carroll (01) 8882799 / David Drea (01) 8882602
Nenagh	Town Council	Audrey Carroll (01) 8882799 / David Drea (01) 8882602
Templemore	Town Council	Audrey Carroll (01) 8882799 / David Drea (01) 8882602
Thurles	Town Council	Audrey Carroll (01) 8882799 / David Drea (01) 8882602
Offaly	County Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Birr	Town Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Tullamore	Town Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Roscommon	County Council	John Jordan (01) 8882998 / Fiachra Redmond (01) 8882459
Sligo	County Council	John Jordan (01) 8882998 / Fiachra Redmond (01) 8882459
Sligo	Borough Council	John Jordan (01) 8882998 / Fiachra Redmond (01) 8882459
South Tipperary	County Council	Audrey Carroll (01) 8882799 / David Drea (01) 8882602
Carrick-on-suir	Town Council	Audrey Carroll (01) 8882799 / David Drea (01) 8882602
Cashel	Town Council	Audrey Carroll (01) 8882799 / David Drea (01) 8882602
Clonmel	Borough Council	Audrey Carroll (01) 8882799 / David Drea (01) 8882602
Tipperary	Town Council	Audrey Carroll (01) 8882799 / David Drea (01) 8882602
Waterford	City Council	Audrey Carroll (01) 8882799 / David Drea (01) 8882602
Waterford	County Council	Audrey Carroll (01) 8882799 / David Drea (01) 8882602
Dungarvan	Town Council	Audrey Carroll (01) 8882799 / David Drea (01) 8882602
Westmeath	County Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Athlone	Town Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Wexford	County Council	Kate Carmody (01) 8882463 / Paul Furey (01) 8882460
Enniscorthy	Town Council	Kate Carmody (01) 8882463 / Paul Furey (01) 8882460
New Ross	Town Council	Kate Carmody (01) 8882463 / Paul Furey (01) 8882460
Wexford	Borough Council	Kate Carmody (01) 8882463 / Paul Furey (01) 8882460
Wicklow	County Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Arklow	Town Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Bray	Town Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004
Wicklow	Town Council	Ruth Nolan (01) 8882476 / Claire Darragh (01) 8882004