

9th May 2022

To: Each Member of Donegal County Council

I hereby give notice under Paragraph 7 of Schedule 10 of the Local Government Act 2001, having received a requisition from the Cathaoirleach pursuant to Paragraph 6(1)(a) of said schedule, that a Special Meeting of Donegal County Council shall be held at 9.30am on Friday 13th May, 2022 in the Aura Leisure Centre, Sallaghagrane, Letterkenny to transact the following business.

AGENDA

1. Tranche 1 Capital Loan Financing: Consideration of proposal to raise a capital loan in the sum of €20m, under Section 106(7) of Local Government Act (as amended).
2. To consider proposals to the Shared Island Local Authority Development Fund.

A copy of the requisition is attached, and an online link will be available.

Patsy Lafferty
Meetings Administrator

**MINUTES OF THE SPECIAL MEETING OF DONEGAL COUNTY COUNCIL HELD
ON 13th MAY 2022 IN THE AURA LEISURE CENTRE LETTERKENNY**

C/152/22

MEMBERS PRESENT

Cllrs J. Murray, Cathaoirleach, L. Blaney, C. Brogan, P Canning, T. Conaghan, D. Coyle, G. Crawford, A. Doherty, R. Donaghey, D. M. Kelly, M Mc Clafferty, I McGarvey, P. Mc Gowan, J. Mc Guinness, M. Mc Mahon, G. Mc Monagle, J. O Donnell, J. S. Ó'Fearraigh, and Sweeny

Online: N. Crossan, G Doherty, M. Farren, M. T. Gallagher, M Harley, N. Jordan, J. Kavanagh, F Mc Brearty Jnr, M. McDermott, N. Mc Garvey, A. Molloy and M. Naughton.

C/153/22

APOLOGIES

Apologies were received from Cllr Terry Crossan who was unable to attend the meeting.

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OFFICIALS IN ATTENDANCE

John Mc Laughlin, Chief Executive, Patsy Lafferty, Director of Housing, Corporate and Cultural Services/Meetings Administrator, Garry Martin, Director of Economic Development, Information Systems & Emergency Services, R Gibson, Head of Finance, Liam Ward, Director Community Development & Planning Services, Bryan Cannon, A/Director of Roads & Transportation, Michael Mc Garvey, A/Director of Water & Environment, Frances Friel, Communications Officer Seán O' Daimhin, Rannóg na Gaeltachta, Róise Ní Laifeartaigh, Rannóg na Gaeilge, Anne Marie Crawford, Staff Officer.

C/155/22

**RAISING OF LOAN IN THE SUM OF €20M UNDER SECTION 106(7)
OF THE LOCAL GOVERNMENT ACT 2001 (AS AMENDED)**

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

The Cathaoirleach thanked the Chief Executive and the Head of Finance for the report and said that it was a positive development which would result in investment in local communities throughout the county.

Mr Richard Gibson, Head of Finance outlined the main aspects of his report and noted that Donegal County Council's Capital Programme required a significant local contribution from its own resource capacity and that loan funding of €41.7m was required to deliver the existing capital investment programme. The process of loan financing was, he advised a reserved function of Council and required the sanction of the relevant Minister.

Members were informed that the repayment of loans was funded from own resource provisions in the Revenue Account and the cost budgeted for in the statutory revenue budget each year.

He said that based on current interest rates, the calculated cost of borrowing €20m at a fixed rate over 20 years would be approximately

€1.19m per year. It was noted that there was a €800,000 provision in the Adopted Revenue Budget for 2022 to fund new borrowing. The redemption of certain variable rate loans later in 2022 would, he confirmed, provide the additional capacity to service annual repayments of €1.19m against a loan of €20m. Given that interest rates are expected to rise in the coming months, he said that it would be prudent at this stage to secure favourable fixed rate borrowing as early as possible to save money in the longer term.

It was acknowledged that the delivery of the capital programme in the years ahead require additional borrowing and or changes in the co-financing requirements by the funders. The overall aim, he said, was to work towards creating additional capacity in the revenue account, and to service the borrowing requirements of the Council in the future. Every effort, he advised, was being made to seek more favourable co-financing terms for existing and potential projects.

He drew attention also to the fact that this was not just about projects listed in Tranche 1, but about all potential development that would lead to the submission of Tranche 2 and 3 applications etc.

The Chief Executive said that this was a sensible decision to take and that members should be guided by the fact that a county-wide approach was necessary at this juncture to ensure that the necessary funding mechanisms were put in place.

A lengthy debate ensued during which members raised the following:

- Explanation was needed as to how the monies would be repaid and from which funding sources.
- What other options might exist for to finance the co-funding requirement and increase the revenue base.
- Percentage reduction in the co-funding requirement is needed so that more ambitious targets can be set.
- Requested that a quarterly report be presented at MD level in relation to capital investment and the status of the various projects.
- Discussion and presentation regarding all Council assets should be delivered at MD level so that decisions can be made in relation to the availability of resources for the development of housing and commercial enterprises.
- Imperative that there is ongoing liaison with community groups and organisations with regard to any prospective initiatives.
- Pressure must be put on the Government to reduce the co-funding requirement to under 15%. Query as to what could be achieved if the requirement was dropped to a blanket position of 10%.
- Oireachtas members must come on board and work in tandem with the elected members.

- Reassurance needed that there will be a rolling programme going forward and that projects falling into Tranche 2 and Tranche 3 will also be progressed.
- Considerable investment needed to deal with climate change issues including the provision of electric charging points etc.
- Tourism enhancement a priority going forward.
- Acknowledgement of the staff who worked to progress the various capital projects together with the various community groups and volunteers who ensure that viable projects are brought to the fore.
- Support needed for the smaller towns and villages and small to medium business enterprises especially in the border regions.
- Query as to whether it would be beneficial to go out and tender for all the anticipated projects.
- Collective self-belief needed to ensure that all relevant projects were progressed.

Mr Richard Gibson, Head of Finance responding to a query from Cllr Mc Brearty clarified that the cost of borrowing €20m over a twenty-year period was €3.97m and that the total amount to be repaid would be €24m.

Members acknowledged the work of the Community Development & Economic Development Sections including the excellent work done to date under the RRDF and the URDF Schemes, Town & Village programmes etc.

The Chief Executive clarified that even though a project did not appear on the Tranche 1 listing there was nothing to prevent it being progressed under Tranche 2 and 3 applications. It was essential now, he added, that the Council collectively embarked on a journey to ensure that all possible funding options were explored and utilised. A reduction in the match funding requirement would, he advised inevitably lead to increased investment in the county and would benefit urban and rural areas alike.

Cllr A Doherty was informed that there was no reason that the Tús Nua project in Carndonagh could not go ahead despite not being included in the Tranche 1 funding application.

Mr Richard Gibson, Head of Finance clarified that there was capacity to fund the €1.19m annual repayment in 2022 as a number of variable rate loans were due to be redeemed later in the year, and that this coupled with the €800,000 provision for new borrowing agreed in the 2021 budget would ensure that repayment could be made. A €20m loan was prudent at this stage, he added, as it was within the limit of what the Council could afford. The Head of Finance confirmed that the ability to afford the cost of borrowing €20m was not based on any increases to current rates of LPT or Commercial Rates.

Cllr Sweeny asked that every effort be made to redress the imbalance in the delivery of capital projects at MD level and alluded to the lack of investment in the Donegal Municipal District.

On the proposal of Cllr Mc Garvey, seconded by Cllr Mc Gowan it was resolved that Donegal County Council, subject to the sanction of the appropriate Minister, approve the raising of a capital loan in the sum of €20m for the purpose of financing/co-financing the various capital projects listed under Schedule 1 of the Donegal County Council – Capital Programme Loan Financing Tranche 1 application in accordance with Section 106(7) of the Local Government Act 2001 (as amended).

This was unanimously agreed.

Concluding the Cathaoirleach said that this was a good day for the county and sent out a clear message that Donegal was well and truly open for business.

C//156/22

PROPOSALS TO THE SHARED ISLAND LOCAL AUTHORITY DEVELOPMENT FUND

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

The Chief Executive informed members that the Shared Island Local Authority Development Fund had capacity for a limited number of applications from each county (four in total). The deadline, he confirmed, was the 27th May and it was expected that decisions in relation to the successful projects would be confirmed by August 2022.

Mr Garry Martin, Director Economic Development, Information Services and Emergency Services advised that the scheme was designed to support Local Authorities partnerships in developing new cross-border capital projects that could deliver shared regional development goals and objectives. It aimed to support, he said, the development of projects at feasibility and pre-planning stages which could subsequently seek capital funding for the construction and implementation phases on a cross-border basis including the Shared Island Fund. He noted that there was ongoing co-operation with Derry City and Strabane District and Omagh & Fermanagh District Councils and also through the North West Regional Development Group and the NW Strategic Growth Partnership.

The fund, he advised, had a total budget of €5m with maximum grants generally of €150,000 per application and scope for a larger award of €250,000. It was noted that applications had to be made by a lead local authority in the South in partnership with at least one local authority in Northern Ireland.

The Council, he said, was in a good position to put forward strong submissions based on its relationship with its counterparts in Northern Ireland.

It was clarified that the following project proposals were the most likely areas of submission, and that it was hoped to obtain an exemption for Donegal in relation to the number of projects that could be submitted:

- Regenerative Tourism
- Innovation Hubs
- Active Travel
- Environmental Protection/ Climate Change
- Reg-Tech Centre of Excellence
- Carbon Neutral Development Planning
- Blue Economy

It was confirmed that workshops were scheduled to take place with the cross-border councils prior to the submission deadline.

Members proceeded to advise of the following:

- That capital investment was needed which would benefit the health service in Donegal in terms of enhanced cross-border collaboration for the provision of essential services and that consideration should be given to including this as another area of consideration.
- Need to look at means of collaborating more closely on educational matters.
- That there was a need to consider projects in the whole North West City region and not just specifically in the Derry to Letterkenny corridor.
- Infrastructure deficit in the south of the county must be addressed.
- Need to prioritise infrastructure and innovation hubs in Tier 3 towns and villages.

The Chief Executive thanked members for their contribution and said that it would be possible to look at the health aspect in the next round of funding so that a particular strategy could be developed, and the criteria analysed. He noted that conversations were ongoing with Derry City & Strabane and Omagh & Fermanagh District Councils with regards the various initiatives that were most likely to meet the qualifying criteria.

C/157/22

London Networking Event – Donegal Association London on Friday 20th May 2022

The Cathaoirleach advised that he had been invited to attend a networking event in Hendon, London on the 20th May 2022. He said that he would be accompanying the Director of Economic Development, Information Services & Emergency Services to the event

at which it was intended to update the diaspora on the ongoing regeneration plans for the county and the role of the Council in delivering these and other aspects of the National Development Plan including the associated investment and employment opportunities that were expected to arise as a result of this.

It was intended, he advised to travel on the morning of the 20th and return on Saturday 21st May.

He noted that the purpose of the event was for fund raising and that Donegal County Council was contributing to the event as some of the monies raised would go to recipients including people back in Donegal who were down on their luck and to local charities such as the Bluestack Centre.

On the proposal of Cllr Donaghey, seconded by Cllr Brogan it was resolved that the Cathaoirleach attend the Donegal Association Networking Event in London on the 20th May.

Cllr Brogan reminded members that the Mayor of the Borough of Islington, Cllr Troy Gallagher was attending a reception in the Letterkenny PSC later in the afternoon. He said that the Mayor as a native Letterkenny man had done much to foster links with his native county and that the North West was well placed to avail of any opportunities that came its way as a result of this collaboration. He noted, also the contribution of Alderman Vincent Kearney, former Sheriff of the City of London.

A vote of sympathy was extended to Mr Tony Mc Fadden, Donegal Association, London on the death of his brother Maurice Mc Fadden.

This concluded the business of the meeting.

Cathaoirleach

Dated