

**MINUTES OF BUDGET MEETING OF DONEGAL COUNTY COUNCIL
HELD IN THE COUNTY HOUSE LIFFORD ON 18th NOVEMBER 2015**

C/468/15 **MEMBERS PRESENT**

Cllrs C Brogan (Cathaoirleach), L Blaney, E Bonner, J Campbell, P Canning, T Conaghan, G Crawford, N Crossan, A Doherty, G Doherty, L Doherty, R Donaghey, M Farren, M T Gallagher, M Harley, N Jordan, J Kavanagh, N Kennedy, M C Mac Giolla Easbuig F McBrearty, M Mc Bride, J P McDaid, M McDermott, S Mc Eniff, I Mc Garvey, P McGowan, B McGuinness, G McMonagle, J Murray, S O'Domhnaill, J O' Donnell, J S O'Fearraigh, B O'Neill, M Quinn, J Ryan, &T Slowey.

C/469/15 **OFFICIALS IN ATTENDANCE**

Mr Seamus Neely, Chief Executive, Mr Joe Peoples, A/Director of Housing, Corporate & Cultural Services, Meetings Administrator, Mr Liam Ward, Director of Community, Enterprise and Planning Services, Mr Garry Martin, Head of Finance & Director of Information Systems & Emergency Services, Mr Michael McGarvey, A/Director of Water and Environment, Mr John Mc Laughlin, Director Roads & Transportation, Mr Richard Gibson, Senior Executive Officer, Ms Anne Marie Quinn, Administrative Officer, Ms Pauline Smyth, A/Staff Officer, Mr Sean O' Daimhin, Oifigeach na Gaeilge, Ms Anne Marie Conlon, Communications Officer, Ms Anne Marie Crawford, Staff Officer, Corporate Services.

C/470/15 **CONSIDERATION OF THE 2016 DRAFT REVENUE BUDGET- CHIEF EXECUTIVE'S ADDRESS AND ADDRESS BY THE HEAD OF FINANCE**

The Cathaoirleach welcoming Members to the meeting said that there had been lengthy discussion to date in relation to budgetary issues at both CPG and at Municipal District level. Outlining the format of the meeting, he confirmed that the Chief Executives introduction to the Draft 2016 Budget would be followed by presentations from the Head of Finance and presentations from the Directors of Service.

The Chief Executive addressing Members alluded to the following:-

- Budget Drafting Considerations
- Corporate Plan 2015-2019

- Delivering on priorities of Members
- Tourism Development & Marketing
- Economic Development and Job Creation
- Developing the County
- Funding & Reform Considerations 2016
- Targeting External Funding Streams
- Organisational Development

Following a detailed analysis of the above, he informed the meeting that the Council had an improving financial position and that provision was made for normal loan repayments in the Draft Budget 2016. He said that there would be a reduced need for exceptional measures in 2016 as strategies introduced in 2010 with regard to intensive cash and budget management are having a positive impact.

There was acknowledgement also of the need to continue with working partnerships to pursue additional Capital Investment opportunities where available.

Another key area, he indicated, was organisation development and this, it was confirmed, would be strengthened through continued implementation of the Workforce Plan, coupled with modest recruitment and the delivery of the key objectives contained within the Corporate Plan.

Concluding, he said that the focus for the coming financial year would be to continue to build on the progress made in recent years.

Mr Garry Martin, Head of Finance alluded to the legislation governing the Local Authority Budget process and the adoption of the Three Year Capital Budget.

An overview of the financial issues for Income & Expenditure relating to balancing the 2016 requirement was provided including details of how the 2016 figures related to 2015.

He outlined also the various analyses used in determining the strategies for achieving a balanced budget and the importance of these in managing costs and dealing with income shortfalls and expenditure challenges.

It was noted that the provisions of the Draft Revenue Budget for each Directorate would be provided during the course of the presentations, by the Directors of Service.

Members were informed that the total expenditure provided for in the Draft Revenue Budget 2016 was €132,833,778 with projected income amounting to €77,054,637 leaving a net requirement of €55,779,141.

The balance it was noted would be funded to the amount of €22,720,760 from Local Property Tax receipts, €2,350,000 from Pension Related Deductions and the remaining €30,708,381 to be raised by way of commercial rates.

The Head of Finance said that a number of decisions had to be made in relation to the following:-

- The adoption of a harmonised rate of €68.39 with the commencement of the harmonisation process in 2016.
- The retention of the existing policy in relation to the rating of vacant properties.
- The continuation of the Small Business Grant Scheme at an estimated cost of €250,000.

An outline of the multi-annual approach towards attaining a sustainable balanced position in both the short to medium term was presented in detail to Members.

C/471/15 ADJOURNMENT OF THE MEETING

On the proposal of Cllr Brogan, seconded by Cllr Mc Brearty it was resolved to adjourn the meeting for a twenty five minute recess.

C/472/15 ADOPTION OF 2016 DRAFT REVENUE BUDGET

The Cathaoirleach acknowledged the efforts of the Chief Executive and the Senior Management Team in preparing the Budget Book and the excellent effort made to address the variety of issues raised by Members. He asked for further clarification in relation to the €688k loss visited on the Council as a result of the revaluation of the rates bills for six major utilities companies.

The Chief Executive advised that the budget had been presented with this amount removed from the rates account so as to ensure

that the rate book was made in accordance with the provisions of the rate valuation.

The €688k, he stated, had not been removed from the Budget Book and despite the late nature of the notification, it had been decided to present the Book as originally intended. This decision, he added, had been taken on the basis that there were two courses of action available to the Council including namely:

1. Avail of the appeal mechanism.
2. Recoupment of the amount in question from the Department.

It was not his intention, he said, to come back to the Council in 2016 to reduce the proposed Draft Budget expenditure by the corresponding amount.

Cllr Brogan at this juncture said he would be happy to propose the 2016 Revenue Budget. This was seconded by Cllr Mc Guinness.

Cllr Mc Brearty said he could not agree to the proposal at this stage as the budget process was essentially about debate and that there were issues such as funding for Community Groups and matters relating to the Strategic Investment Fund that warranted further consideration.

Cllr Quinn proposed, seconded by Cllr Mc Brearty that the meeting proceed with presentations from the Directors of Service.

Cllr Mc Bride said that the independent grouping were of the opinion that additional time was needed to debate and discuss the proposals at hand.

The Cathaoirleach said it was clear that Members were anxious to attain additional information on a directorate basis and that he would be happy to facilitate same.

C/473/15 ADJOURNMENT OF MEETING

It was unanimously agreed to adjourn the meeting until 2.30pm

C/474/15 PRESENTATIONS BY DIRECTORS OF SERVICE

The Directors of Service outlined in detail the 2016 budgetary provisions as applicable to their respective Directorates.

The Cathaoirleach responding to the proposal from Cllr Harley, seconded by Cllr Crossan, that the meeting be adjourned to allow for more in depth consideration of the budgetary proposals, said that he would allow Members to raise questions and that an adjournment could then be taken if further clarification was required.

The meeting was opened to the floor with Members raising a number of issues.

The Head of Finance and Directors of Service responded to a range of issues raised by the Members.

Cllr O' Donnell proposed, seconded by Cllr Mc Eniff that Members proceed with the adoption of the 2016 Budget.

Cllr Gallagher noted that there were a number of issues that warranted further discussion.

Cllr Mc Brearty said that he had not at any time indicated that he was not voting for the Budget.

Cllr O' Domhnaill alluded to the fact that much of the additional finance requested over the last number of years had been delivered by the Executive and that commercial rates had decreased by 8.2% since 2010.

The 2016 proposal to repay the loan sheet fully would, he confirmed, provide the Council with greater leverage. The seeking of additional state grants, he said, would allow the Council to use this increased loan capacity to create additional capital.

He welcomed the fact that the €688k shortfall arising from global revaluation had not been taken out of the Budget and said that he was confident that the shortfall would be addressed as outlined by the Chief Executive. The Budget Book before Members, he stated, was exactly what was asked for.

Cllr Harley outlined the necessity of providing funding for the Balor Theatre and said that it deserved funding in the same way as An Grianan and the Regional Cultural Centre. It was, he indicated, a thriving entity with a turnover of €640,000 per annum, and despite employing 26 staff remained consistently underfunded.

He thus proposed, seconded by Cllr Mc Brearty that monies be top-sliced from the Cultural Services Budget and allocated to the Balor Theatre.

Cllr Farren welcomed the increased spend in the 2016 Budget, but said that additional resources were needed in a number of areas. He outlined the need for the following:-

- An increase in the workforce.
- Additional roads staff.
- Extra provision needed for the Ferry Services.
- Greater allocation required for the maintenance and upgrade of Public Conveniences

Cllr Mc Bride, welcomed the positive approach taken in the 2016 Budget Book, the provision of Leader Funding and the increase in the Housing Budget. He was appreciative also of the fact that a focus had been maintained on developing the County as a whole, but expressed disappointment that the Roads Budget had been reduced by 8.2%.

Cllr Bonner congratulated all concerned on the presentation of the Budget Book. He advised of the following:-

- What monies if any had been allocated to deal with coastal erosion?
- That the €600,000 allocation for street cleaning was not sufficient for the provision of a county-wide service.
- Need for Members to have greater access to the Planning Service particularly at MD level.
- Roads takeover a priority especially where LIS Schemes were in operation.
- Continued effort needed in respect of business development.
- Tourism initiatives should be progressed in conjunction with Bord Failte , with continuing focus on the Wild Atlantic Way.
- Contact needed to be made with the Taoiseach's Office regarding the recent announcement to create 25,000 jobs in the West of Ireland.

Cllr Slowey applauded the 2016 budget submission, and said that a remarkable effort had been made over the past six years to manage the Council's finances.

Increased grant aid, was warranted, he added, for public lighting and to deal with the renewed emphasis placed on energy efficiency. He welcomed the accreditation of the Laboratory Service and the fact that the services provided there were equivalent to national and international standards. He congratulated the staff concerned on operating one of the best laboratories in Ireland.

Cllr Mac Giolla Easbuig said he could not support the Budget as adequate funding was not provided for Roads and Housing Services. He was also critical of the increased involvement of private companies in the carrying out of road works. The solution, he said, was for the Council to employ more Roads Staff.

The Chief Executive thanked Members for their contribution and advising that additional clarification had been provided to a number of Members over the past week. Broadly speaking, he said, that the same level of service provision as presented in 2015 had been included in the 2016 Budget Book.

He alluded to the fact that priorities had been discussed at MD level and said that the scope for change was at this point was non-existent.

The Budget, he advised, had been presented in accordance with the relevant legislation and adhering to the protocols as advised by the National Oversight and Audit Commission.

The Cathaoirleach at this juncture noted that there had been a proposal by Cllr Harley, seconded by Cllr Crossan to adjourn the meeting, but that he also had indications from other Members that they wished to proceed with the meeting.

Cllr Mc Brearty said that this was the first time in over six years that the Cathaoirleach had proposed the Budget. He was, he said, of the opinion that the Cathaoirleach's role should be more of a facilitatory one.

Cllr Brogan said that on the basis of the ongoing conversation, the would be happy to propose the Budget subject to the agreement of the Members.

Cllr Crossan proposed, seconded by Cllr Mc Garvey that the motion to adopt the 2016 Budget be put to the floor.

Cllr G Doherty thanked the Chief Executive and the Head of Finance for their response to a number of queries raised by the Sinn Fein Grouping. The present system of Local Government funding was, he advised, unsustainable and unequal across the Country and should be funded from central taxation measures. He thus requested the following:-

- That the Executive as matter of urgency take the necessary measures to proceed with the appeals process regarding the reduction in valuation of the 5 Utility Companies, and contact the Department in relation to the fact that Donegal County Council is unable to consume cuts to this effect in 2016 and in subsequent years. He welcomed the response from the Executive that monies would not be taken from services provided by the Council
- Increased funding be made available across all services and that the Council work to maximise any funding they receive from Central Government. This deemed necessary so as to ensure that deficiencies in the roads network are acknowledged at national level.
- That a request be made to Government to re-instate the LIS Scheme on a national basis.
- Every effort be made to progress projects such as the N14, N15 and the Bonagee Link to link in with the A5.
- Work continue to ensure that Northwest Gateway Initiative is implemented in full particularly with regard to the holding of North//South Ministerial Council Meetings in the Northwest and the utilisation of the funding stream available through this initiative.
- The need for a comprehensive social housing building programme and the establishment of a practical scheme to help families secure loans, mortgages from the Council. This to include the pursuit of all available funding for the enhancement of the housing stock and the re-opening of vacant houses.
- Call for the end to the abusive and exploitive Job- Bridge and Gateway Schemes.

- The necessity of allocating adequate funding so that all 1916 Commemoration Events are marked in the appropriate manner.
- Policy and criteria for the Strategic Development Fund to be agreed prior to the processing of applications so that the monies are used strategically and for the utmost benefit of the County.
- Call for the Council to initiate a regions based development plan so that all five areas across the County are developed to their full potential, assisted by the appointment of an Economic Development Officer in each Municipal District.
- Acknowledged the ongoing collaboration between Donegal County Council and Derry City/ Strabane District Council and the need for both Councils to meet and progress cross-border initiatives.
- Request that €1million be drawn down through funding opportunities to develop tourism in 2016 coupled with the designation of Grianan of Aileach and Mt Errigal as flagship tourism projects.
- Proposed that a County Conference on the Co-operative Movement be held in the County.
- Called for the HSE West to initiate meetings across Donegal to inform communities how the HSE are going to progress Cancer Services in the NorthWest so that cancer sufferers are treated with the dignity and respect that they deserve.
- Outlined need to enhance the Irish Language programme within the Council and further progress the language through increased collaboration with the various Gaeltacht bodies.
- Highlighted the need for a programme of works to alleviate flooding. This to be taken in conjunction with the OPW. Serious concerns raised in relation to the River Finn. Request that an urgent meeting be sought with the OPW in relation to same. Full utilisation to be made of the Flood Relief Investment Programme instigated under the Stormont Agreement to deal with the problems on the Foyle, Finn and Erne Rivers.
- Call for the initiation of an Energy Saving Programme.

In conclusion, Cllr Doherty said that the Sinn Fein Grouping welcomed the decision not to impose rates on vacant premises.

Acknowledging that many of their concerns had been addressed, he said that the Sinn Fein Grouping would be supporting the 2016 Budget proposals.

Cllr Mc Guinness praised the Executive on a job well done and said that the 2016 Budget Book reflected how well the County had moved on from the difficulties faced in previous years. Alluding to the peripheral nature of the County, he said it was imperative that all cross-border links were fully utilised.

He was, he said, hopeful that the County could have a great economic future. There were specific areas, he added, which warranted additional funding, such as Roads, and ferry services. He highlighted also the need for greater service provision at MD level.

Cllr Crossan proposed, seconded by Cllr Mc Dermott that the consideration of the 2016 Revenue Budget proceed.

The Cathaoirleach responding to Cllr Mc Brearty's call for additional discussion time advised that the general consensus was that the meeting should proceed.

Cllr Campbell thus proposed, seconded by Cllr Kennedy the following amendment to the 2016 Revenue Budget as presented:-

“Additional income in respect of Division H (Goods & Services) be sourced through the targeting of 100 additional properties for NPPR arrears to generate a total income of €175,900

“Additional expenditure of €135,050 be incurred in Division D thus increasing the Members Development Fund to €10,000k per Councillor and the sum of 40,850 to be allocated under F0204 for the purchase of library books.

This, he confirmed would result in a net zero amendment.

Mr Garry Martin, Head of Finance, said that whilst he acknowledged the sentiment of the motion it was not in his opinion readily achievable.

The Cathaoirleach alluding to the proposal from Cllr Crossan , seconded by Cllr Mc Dermott said that it was his intention to proceed with the adoption of the 2016 Revenue Budget.

On the proposal of Cllr Crossan, seconded by Cllr Mc Dermott it was resolved “That Donegal County Council adopt for the financial year ended 31st December 2016, the Budget set out in Tables A& B resulting in an Annual Rate in Valuation of €68.39 as shown in Table A and subject to Section 10 of the Local Government (Financial Provisions) Act 1978, having regard to the Base Year Adjustment , as set out in Table C, and determined in accordance with Section 29 of the Local Government Reform Act 2014”

On the proposal of Cllr O’ Neill, seconded by Cllr Mc Eniff it was resolved “That Donegal County Council hereby determine, in accordance with the Budget now adopted, that the rate set out in Table A, of €68.39, to be the Annual Rate in Valuation to be levied for the year ended 31st December 2016 for the purpose set out in Table A”

On the proposal of Cllr Ryan, seconded by Cllr Mc Bride, it was resolved “ That Donegal County Council consider a report on the 3 Year Capital Programme in respect of the period 2016-2018 at its monthly meeting on 30th November 2015, in accordance with Section 135 of the local Government Act 2001, as amended.”

The Cathaoirleach thanked Members and Staff for their contribution to the Budget process and the members of the media present for the comprehensive coverage of the event. He said that the existence of a new road map for the development of the County had been significantly enhanced by the increased level of cross-border co-operation that was now in place. It was, he confirmed, a good day for business in the County.

Concluding the meeting, the Chief Executive thanked Members for their constructive engagement. He was he said delighted that for the second time in six years the Local Authority was in a position to increase expenditure . Mr Neely alluded also to the fact that on-going collaboration with Derry City and Strabane District Council would have enormous potential for the North-West Region as a whole.

This concluded the business of the meeting.

