

MINUTES OF ANNUAL BUDGET MEETING OF DONEGAL COUNTY COUNCIL HELD ON 21ST NOVEMBER 2025 IN THE COUNTY HOUSE, LIFFORD

C/386/25

MEMBERS PRESENT

Cllrs P Canning, Cathaoirleach, J Beard, L Blaney, M Boyle, F Bradley, J Brogan, B Carr, D Coyle, T Crossan, A Doherty, G Doherty, A Farren, M Farren, M Harley, N Jordan, J Kavanagh, D. M Kelly, N Kennedy, M C. Mac Giolla Easbuig, M Mc Clafferty, M McDermott, P Mc Garvey, D Mc Gee, P McGowan, M McMahon, G McMonagle, D Meehan, J Murray, M Naughton, and M Scanlon.

Online: Cllrs C Brogan, T.S Devine, F Mc Brearty Jnr, M Mc Bride, A Molloy, and D Nic Mheanman

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OFFICIALS IN ATTENDANCE

John G McLaughlin, Chief Executive, Patsy Lafferty, Director of Housing, Corporate & Cultural Services/Meetings Administrator, Eamon Brown, A, Director of Community Development & Planning Services, Bryan Cannon, Director of Roads & Transportation, Richard Gibson, Director of Finance, Garry Martin, Direction of Economic Development, Information Systems & Emergency Services, Michael McGarvey, Director of Water & Environment, Tanya Kee, Management Accountant, Anne Marie Quinn, Administrative Officer, Frances Friel, Communications Officer, Róise Ní Laifeartaigh, Rannóg na Gaeilge, Cliona Ní Gallachoir, Rannóg Na Gaeilge, William Colvin, Assistant Communications Officer, Anne Marie Crawford, Staff Officer.

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PRESENTATIONS BY DIRECTORS OF SERVICE

The Cathaoirleach welcomed members to the meeting and advised that proceedings would commence with presentations by each Director of Service in relation to their respective Directorates. He said that following same there would be an adjournment for lunch and an opportunity for the various groupings to meet and discuss the 2026 budget proposals.

The Chief Executive informed members that this was the largest ever revenue budget and included a €25m increase in expenditure from 2025. It included, he said, a significant spending and investment plan for the County. He drew attention to the fact that there had been no increase to commercial rates over the past seven years despite a 20% inflation impact on the overall spending capacity. Thus, he advised, the recommendation was now to increase commercial rates by 5%. This was crucial, he contended to raise investment in the County. He proceeded to highlight the difficulties encountered in trying to achieve a balanced budget in 2026 and gave an overview of the main considerations for the 2026 financial year. Challenges for 2026 were identified as follows.

- Prioritising housing solutions.
- Operating in a tightening global financial environment.

- Delivery on new workstreams and national pay agreements.
- Progressing climate action measures
- Managing outcomes relating to Defective Concrete Blocks
- Creating conditions to support business and entrepreneurship.
- Maintaining the momentum and keeping Donegal at the fore in economic and social terms.

This budget, he added, maintained a high level of expenditure on roads and housing and corporate funding. He alluded to the fact that €1,050,000 had been provided to provide for a €15m additional capital projects loan and €550,000 for housing maintenance. It was noted that the Tidy Towns Fund had increased to €222,000 and that supports were in place to drive the delivery of capital projects in housing, URDF, RRDF, Tourism and Economic Development.

The key elements for consideration, he advised, were the proposal to increase commercial rates by 5% in 2026 and the approval of the Draft Revenue Budget in the sum of €224,034,793.

Concluding he informed the meeting that the Three-Year Capital Budget 2026-2028 had a target of €2.2bn expenditure over the stated period with €591m planned expenditure in 2026. He alluded to the importance of these capital projects for the County and of the need to plan and schedule for all investment opportunities.

Mr Richard Gibson, Director of Finance, advised members in relation to the legislation governing the preparation of the Draft Revenue Budget 2026 and the Three - Year Capital Budget 2026-2028, together with an overview of the statutory timeframes involved for the adoption of same. It was noted that the final day for the adoption of the 2026 Budget was the 4th December, 2025.

He drew attention to the fact that members were also required to consider the Chief Executive's Report on the Abatement of Rates in Respect of Vacant Properties and the Early Incentive Payment Credit. The Three-Year Capital Plan 2026-2028, was also to be considered, he added.

He updated members as to how the 2026 figures compared with 2025 and highlighted the increases applicable under the various expenditure headings. This was followed by an analysis of the projected income for 2026 as outlined in the Specific State Grants Table and under the Other Receipts Table.

Members were informed that there was still a requirement, as part of a multi-annual approach to continue with a number of exceptional measures to match income with required expenditure for 2026, in an effort to provide

a balanced budget for the members' consideration. It was noted that the Council's reliance on exceptional measures had decreased marginally from 2025 to 2026 and that liability to NPPR Charges and Penalties had ceased in March 2025.

He drew attention to the fact that that it was an important financial objective to balance the annual revenue budget and that this had to be addressed as part of a multi-annual approach in the years ahead

Thus, it was acknowledged that the total projected expenditure for 2026 was €224,034,793 with €108,135,307 to be financed by state grants, €5,619,869 income from Uisce Éireann and a number of other income sources amounting to €39,854,130. This, it was noted, left a net requirement of €70,425,487 to be funded in the sum of €28,951,445 from LPT income and the balance of €41,474,042 sourced from commercial rates.

The Director of Finance proceeded to outline the effect of inflation on own-resource funding. He informed members that the combination of reduced buoyancy (appeals, revisions, new valuations) and the proposal to increase the Commercial Rates multiplier from 0.232 to 0.2436 (+5%) would provide the Council with additional net income of €1,756m for 2026. Reduction in the bad debt provision, he noted, had provided additional budget capacity of €0.732m in 2026

An overview of the Commercial Rates categories and bands were provided. The Director of Finance confirmed that:

- For more than a quarter of the properties, the proposed increase of 5% equated to a maximum annual increase of €50 or a maximum weekly increase of €0.96
- For over 80% of properties, the proposed increase equated to a maximum annual increase of €250 or a weekly increase of €4.81.
- For over 90% of properties, the proposed increase equated to a maximum annual increase of €500 or a maximum weekly increase of €9.62.

Reference was made to the impact and success of the Early Payment Incentive Scheme and the fact that the 2026 provision had been increased to €450,000.

Concluding, the Director of Finance said that members were now required to consider the following:

- The Chief Executive's Report on the Abatement of Rates in Respective of Vacant Properties.
- Consideration of the Early Payment Incentive Credit Scheme.

- Consideration of the Draft Statutory Revenue Budget for 2026 and the Annual Rate of Valuation for Commercial Rates for 2026.
- Consideration of the Three-Year Capital Programme 2026 to 2028.

The budget as presented, he advised represented a daily spend of €613,794 for the Council and €1,341 per citizen of the county in 2026.

The Directors of Service proceeded to outline in detail the 2026 budgetary provisions applicable to their respective Directorates.

On completion of the presentations, it was unanimously agreed to adjourn the meeting until 2.30pm.

C/389/25 **RESUMPTION OF THE MEETING**

On resumption of the meeting at 2.30pm a further adjournment until 3.30pm was proposed by Cllr Harley and seconded by Cllr M Farren.

C/390/25 **ADJOURNMENT OF THE MEETING**

The meeting recommenced at 3.30pm and it was thus proposed by Cllr Mc Dermott, seconded by Cllr Coyle to adjourn the meeting until 4.30pm.

C/391/25 **CONSIDERATION OF THE 2026 BUDGETARY PROPOSALS**

The Cathaoirleach said that an adjournment of the meeting until the 1st of December should be considered so as to allow the various groupings meet with the Director Finance and the Senior Management Team to discuss the 2026 budgetary proposals.

On the proposal of Cllr Murray, seconded by Cllr M Farren it was resolved that the meeting should proceed, and every effort made to deal with the issues that had arisen in relation to the 2026 annual budgetary provision. It was noted that the Draft Budget contained a number of excellent proposals, but that main stumbling block was the increase in commercial rates.

Cllr Blaney said that there were a number of items that needed additional clarity and that an adjournment to another date would allow these to be considered and addressed.

He thus proposed, seconded by Cllr Mc Clafferty that it be postponed until the 1st December.

Cllr Mc Gee asked why it was not possible for the discussions and negotiations to take place in the Council Chamber.

Cllr C Brogan noted that discussions had taken place with the Executive over the last number of hours and that there were a number of items that required additional clarity and could not be addressed today.

A number of members indicated at this juncture that they had other commitments on the 1st December and that this date was therefore not suitable.

After some debate it was thus agreed to adjourn the meeting until 10am on Wednesday 3rd December, 2025 in the County House, Lifford.

Cathaoirleach:_____

Dated:_____