



# NOAC

National Oversight  
and Audit Commission



## Donegal County Council Scrutiny Report

NOAC Report No. 36 - May 2021

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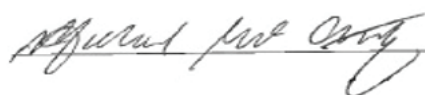
## Chair's Opening remarks

The Local Government Reform Act 2014 introduced significant changes to a wide range of aspects of the local government system, including in relation to matters of accountability and oversight. In that regard, the Act provided for the establishment of the National Oversight and Audit Commission (NOAC) as the statutory body overseeing the local government sector. NOAC was established in July 2014 under the 2014 Act to provide independent oversight of the local government sector. NOAC's functions are wide ranging, involving the scrutiny of performance generally and financial performance specifically, supporting best practice, overseeing implementation of national local government policy and monitoring and evaluating implementation of corporate plans, adherence to service level agreements and public service reform by local government bodies.

Since I became Chair of NOAC in September 2018, I continued the good work that had been started by the previous NOAC Chair in meeting with the Chief Executives of the local authorities and their Management teams. As outlined below this process has evolved over time and continues to evolve.

The preparation of the profile report also identifies the performance of local authorities in relevant NOAC reports and provides for further examination of the results of these reports. The Scrutiny Process requires time and resources from NOAC and the local authorities in preparation of the profile report and for the Stage 1 and Stage 2 meetings. NOAC considers to date that the investment of time and resources has been worthwhile and necessary.

I have been struck by the welcome and sharing of information that has taken place at the meetings. It has provided an opportunity to learn, to listen to how the particular local authority operates, the challenges they face, the plans and ideas that have been developed and gives an opportunity to reflect on what is working well and areas that need to be addressed. It has identified areas of good practice and many of these ideas have been showcased at the NOAC Good Practice Seminars over the years. I look forward to continuing to work closely and collaboratively with all the local authorities and want to use this opportunity to thank all the Chief Executives and their teams for the time and courtesy and welcome extended to NOAC in this process.



**Michael McCarthy, Chair**  
20 May 2021



## Background to Profiles and Scrutiny Programme

In February 2017, NOAC, in accordance with its statutory functions, began to review the performance of individual local authorities. The starting point was getting an overall picture derived from the performance indicator report results, the Local Government Audit Service (LGAS) audit reports, the financial position and revenue collection performance. Information on private rented sector inspections, housing stock management and maintenance data and Customer Satisfaction was all considered by using the relevant data contained in the NOAC reports published to date.

At the outset the importance of the meetings was emphasised over and above the data which NOAC had regarding local authorities. There was also an objective to broaden the NOAC members' understanding of the work of the local authorities and the individual priorities and pressures they faced and to put the information in context. Therefore, NOAC wanted to get the background perspective from the authorities and any other datasets that the Councils consider should be taken into account. Significant work is required to bring this part together and the work of the NOAC Secretariat and the local authority NOAC Coordinators must be acknowledged.

Following an initial face to face meeting, which is called a Stage 1 meeting, local authorities were invited to a Stage 2 meeting where more detailed questions would be carried out in the areas of interest to NOAC, including customer service and IT investment, collection rates, the quality of information provision to the public etc. These meetings would take place after or latterly before the main NOAC board meeting with all the board members present.

## The purpose

The process gives NOAC the opportunity to have oversight of all the local authorities and considers the factors that facilitates them in performing well, along with the barriers that may exist relevant to the individual local authority. The meetings enable the local authorities to outline their strong and weak performing areas. It allows for further examination of the results of the performance indicators and shows the results in context. It must be emphasised that these meetings differ from the Performance Indicator (PI) Validation meetings which are carried out by the Performance Indicator Working Group to interrogate the results reported in relation to selected performance indicators. These meetings, while very informative, are specific to the performance indicator process and do not consider other areas of performance that NOAC have oversight of, including Customer Service, Internal Audit, Corporate Plans etc.

During the meeting NOAC can see areas where consistent under-performance is highlighted and which can be examined further. It also allows for exemplars of best practice to be identified and used to share with other local authorities. The process as outlined, is not a follow up to the PI reports, but does enable consideration of issues that may warrant further clarification or investigation in the PI process. Local authorities have all indicated in the meetings thus far that they compare their performance and results in relation to what they deem as similar local authorities. This grouping could be reviewed further by NOAC and adopted for the results of some of its reports. Groupings are not only on size but, on levels of finances, urban and rural, staff numbers and other factors.



# The Scrutiny Process

The process has evolved over time, allowing it to become more structured, formal and documented. Given the importance of the work, it is led by the Chair of NOAC (or a delegated alternate, if required) with support from NOAC members and the Executive. The formal process agreed by the Board is termed as a constructive dialogue and is laid out below.

**1**

## Stage 1 (NOAC Scrutiny Visit)

Meeting held with NOAC Chair (or alternate) and/or one additional NOAC member and member(s) of the NOAC Executive. The Chief Executive and members of the management team, as invited by the Chief Executive shall attend.

- Stage 1 notice issued to Chief Executive of the local authority.
- Profile report prepared by NOAC Executive with input from the local authority. This is circulated along with an agenda to the local authority and NOAC attendees in advance of the visit. The report is based on general and specific information from NOAC reports relating to the local authority in question.
- Local authority to present on issues arising and take questions from attending NOAC members.
- Meeting minutes prepared and issued for comment.

**2**

## Stage 2 (NOAC Scrutiny Meeting)

Appearance at full NOAC meeting. The Chief Executive and members of the management team, as invited by the Chief Executive shall attend.

- Stage 2 notice to attend NOAC meeting issued to Chief Executive of local authority.
- Profile report updated as required and circulated along with an agenda to local authority and NOAC members in advance of the meeting.
- Local authority to present on issues arising and take questions from full NOAC board.
- Meeting minutes prepared for circulation to local authority for its comment.

**3**

## Stage 3 (NOAC Sign off and Publication)

Following completion of Stages 1 and 2 the Executive shall collate the material and present it to the NOAC Board as follows: -

- Final sign off on minutes / documents / reports.
- Comments / Findings / Recommendations to be made as required.
- Approval for completed records to be published.



## Progress to date

### 2017

To commence the process, profiles were prepared in respect of Cork City Council, Louth and Offaly County Councils and these were forwarded to the Chief Executives of the authorities concerned. The NOAC Chair at the time, Pat McLoughlin, began this process with a meeting with the Chief Executive of Louth County Council for a general discussion on the profile in August 2017. This Stage 1 meeting was followed by a similar meeting with the Chief Executive of Cork City Council in September 2017. The final Stage 1 meeting to take place in 2017 was held with the Chief Executive of Offaly County Council in October 2017. In December 2017 Louth County Council attended a meeting with NOAC after the main NOAC Board meeting. This was the first Stage 2 meeting, which formed an important part of the overall process. These meetings served a particularly important function which allowed the Council to give an overview of their work and also gave an opportunity to the full NOAC Board to put questions to the Council and understand their situation in more depth.

### 2018

In 2018 the schedule consisted of eight meetings with local authorities, four each for Stage 1 and Stage 2. A Stage 2 meeting was held with Offaly County Council in January 2018. This was followed by another Stage 2 meeting with Cork City Council in March 2018.

A new Chair, Michael McCarthy, was appointed on 24 September 2018. The process continued with Westmeath County Council in October 2018 and Kerry County Council in December 2018. These were Stage 2 meetings with the full NOAC board as in these cases, the 2018 Performance Indicator validation meetings for these authorities were deemed sufficient as Stage 1 meetings. Further Stage 1 meetings were held with Roscommon County Council and Tipperary County Council.

### 2019

The format continued with 8 meetings with local authorities during the year. Five Stage 1 meetings and three Stage 2 meetings. The Stage 1 meetings were with Donegal County Council, Laois County Council, Clare County Council, Waterford City and County Council and Carlow County Council. Stage 2 meetings took place with Roscommon County Council, Tipperary County Council and Donegal County Council.

### 2020

A meetings list was scheduled for 2020 to cover 6 additional local authorities. The year commenced with a Stage 1 meeting with Monaghan County Council in February, along with two Stage 2 meetings with Laois County Council and Waterford City and County Council. Further meetings were scheduled for April, however due to the COVID crisis these meetings were required to be deferred.

The COVID restrictions presented some challenges to the meetings but it was decided to continue the Stage 2 meetings virtually and meetings were held with Clare, Monaghan, Waterford City and County, Carlow and Sligo. These were carried out by the WebEx platform.

A socially distanced Stage 1 meeting was held in person with Limerick City and County Council in August and with Sligo County Council in September 2020.

### 2021

COVID has had a huge impact on local authorities, and in particular, for NOAC on the Scrutiny process. The Stage 1 meetings have all been held in person thus far and restrictions have allowed for no Stage 1 meetings to be held yet in 2021. The Stage 2 meetings have progressed as these were capable of being held remotely, with one held in January 2021 with Limerick City and County Council. It is hoped to make up for lost time as the restrictions are relaxed and plans are in place to commence Stage 1 meetings as soon as it is possible to do so.

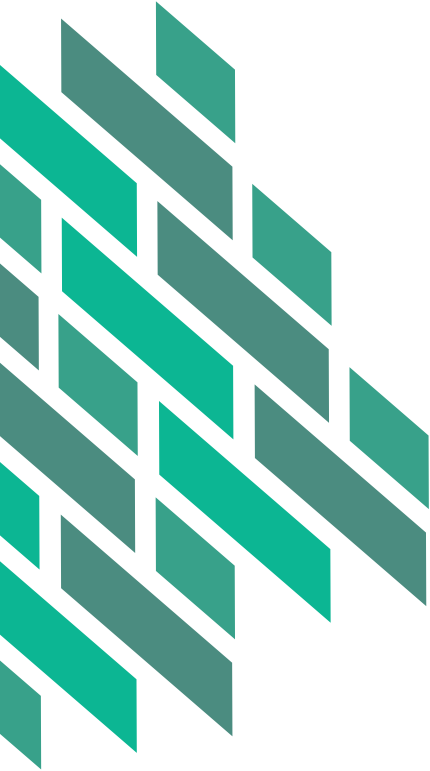
## Future meetings and reports

This report outlines the purpose and the procedures and while the process may continue to evolve it would not be expected at this time to produce another master report, similar to this one. This report takes into account the first 13 local authorities which have completed the process. It would be intended that once all stages in the scrutiny process has been fully completed with the relevant other local authorities that the report would be published on that basis and would form part of the suite of reports under the umbrella of the Scrutiny Report Process. Later in quarter 2, 2021, Sligo County Council and Limerick City and County Council reports will be published. It is anticipated that progress will continue to be made with further Stage 1 and Stage 2 meetings so that each local authority will have participated in the process. It must be outlined that significant changes and delays have been experienced due to the restrictions imposed by COVID in 2020 and 2021.

## Conclusion

The process thus far allowed for the NOAC Chair and members to get a greater understanding and insight into the challenges that face each of the local authorities. Also, issues such as collection rates, staff numbers, inspection rates, finances that are included in reports in some cases benefit from the explanation and discussion as to the reason behind these figures. The meetings also enabled NOAC to see the various priorities that each local authority considered relevant to their citizens and how they overcame various challenges and how they work collaboratively with other local authorities, state bodies and stakeholders. Areas of Good Practice have been identified along the way and these have contributed to presentations of these projects at the NOAC Good Practice Seminars in 2017, 2019 and 2020.

Donegal County Council had their Stage 1 meeting in January 2019 and their Stage 2 meeting in April 2019. It is important to note that the material in this report is reflective of the position at that time. Therefore any changes to the profile from later NOAC reports are not included in this report. Donegal provided an insight into the real issues that Brexit would present with so much of the county bordering with the North of Ireland. Issues in relation to services such as education and medical services and cross border trade were discussed at length. Issues such as illegal dumping and the efforts made to address the problem provided NOAC with assurances that this matter of concern was being tackled. Presentations on the North West City Region and the NPF were informative in particular with regard to economic growth and investment.



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# Donegal County Council Profile

December 2018

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# Donegal County Council General Information

Population:	159,192
Area:	4,764 km <sup>2</sup>
Municipal Districts:	5 (Letterkenny, Stranorlar, Donegal, Inishowen and Glenties)

## COUNCIL MISSION STATEMENT

Serving our communities,  
supporting our businesses  
and welcoming our visitors.

### Strategic Objectives

- To take a lead role in promoting sustainable economic development and job creation in Donegal.
- To continue to manage, maintain and develop the physical, social, economic, environmental, community and cultural infrastructure in our county.
- To provide accessible, efficient and good value services and supports.
- To conserve, manage, support and promote our arts, culture, environment, heritage and languages.
- To support and promote sustainable and inclusive communities.
- To support and develop our organisational capacity to achieve our objectives.

## Staffing

Number employed	@ 31/12/2017 908.58 (WTE)
WTE Staff per 1,000 population	5.7

### Percentage of paid working days lost to medically certified sick leave

2014	3.55%
2015	4.02%
2016	3.85%
2017	3.61%

## Budget

2018	€148,795,554 (€934pp)
2017	€135,063,846 (€848pp) based on the 2016 population.

## Collection Rates

	2017	2016	2015
Rate collection rates	74.3%	68.0%	62.8%
Rent collection rates	89.2%	89.0%	89.9%
Housing loan collection rates	67.9%	66.0%	63.4%

## Housing Information at 31/12/17

Percentage of LA owner dwellings vacant:	84.42%
Local Authority Stock number:	4,751
Number currently on waiting list:	2,426
HAP Tenancies:	1,627

Number of adult Individuals classified as homeless and in emergency accommodation:	19
The number out of those individuals who, on 31/12/2017, had been in emergency accommodation for 6 months continuously, or for 6 months cumulatively within the previous 12 months:	5

## Homeless presentations

2015	88
2016	85
2017	105



## Economic Forum (CEF)

A Local Economic Development Committee made up of Councillors, reps of statutory agencies, business and community sectors overseeing the economic objectives and actions of the Local Economic Community Development Plan. This committee meets on a regular basis and is in the process of identifying key areas for action and progress within the Council's Economic Development objectives. The Research and Policy unit recently carried out a Happiness Survey (Nov 2018) to find out how residents in the county rate their quality of life, their satisfaction levels with existing services, their links to their surrounding community and their expectations for their futures.

## The Local Enterprise Office

- Department of Business, Enterprise and Innovation funded unit to support entrepreneurship and small business development in the county with its headquarters in Letterkenny.
- The LEO Unit manages the Council's Diaspora Programme and leads and partners in a number of EU funded projects in the area of Enterprise and Economic Development.
- The LEO job output per 1,000 population for 2017 was .59% a reduction from 1.07% on the previous year.

## Retail Incentives

The Council as part of the budget process adopted a small business grant scheme in 2017 and 2018. This enables the majority of small businesses to achieve a 5% reduction in rates.

## The Corporate Plan

Adopted for the period 2015-2019.

## Shared Services Lead Authority

Connacht/Ulster Regional W.E.R.L.A – Partnership between Donegal County Council and Leitrim County Council (Combined Lead Authority)

## Other Shared Services

- Road Management Office
- Local Government Operational and Strategic Procurement Centres
- MyPay
- MapRoad Licensing

## Regional Issues including new developments and initiatives

Priority Themes as set out on page 16 of the Corporate Plan. (Details in Appendices Page 25)

## Supporting Strategies

Details as set out in pages 20-25 of the Corporate Plan. (Details in Appendices Page 25)

## Other relevant information

The North West region featured strongly in the recent National Planning Framework and National Development Plan 2018-2027. It reflects the concerted and collaborative approach over the last number of years by both Donegal County Council and Derry City and Strabane District Council through the North West Strategic Growth Partnership. The development of Letterkenny, Derry and Strabane as a North West City Region is a significant priority for the county.

## Key Regional Policies & Plans

- Border Regional Authority Planning Guidelines 2010 - 2022
- Connaught Ulster Regional Waste Management Plan
- North West River Basin Management Plan

## Key Local Policies, Plans & Strategies

- Donegal Economic & Community Plan (Pending)
- Donegal County Development Plan 2012 - 2018
- Donegal Traveller Accommodation Programme 2014 -2018
- Donegal Digital Action Plan (pending)
- Donegal Food Strategy (July 2012)
- Strategy for Growth and Jobs in Coastal and Marine Tourism in Donegal April 2014
- Donegal Local Authorities Scheme for the Official Languages Act 2014 - 2017
- Cultural Connections, Strategic Plan for Cultural Services Division of Donegal County Council Strategy 2009 - 2014
- County Donegal Heritage Plan 2014 - 2016
- Creative Donegal Strategy 2015
- Donegal Age Friendly Strategy 2015

## NOAC Reports Overview

NOAC was established in July 2014 as an independent statutory body to provide oversight of the local government sector in Ireland. NOAC's functions are wide ranging, involving the scrutiny of performance generally and financial performance specifically. NOAC also supports best practice, oversees the implementation of national local government policy, monitors and evaluates implementation of corporate plans, adherence to service level agreements and public service reform by local government bodies.

Since 2017 NOAC publishes annual local authority Performance Indicators and composite Public Spending Code Quality Assurance Reports. From the 20 reports published to date, matters relevant to Donegal County Council are outlined in the points below:

### NOAC REPORT NO 19

#### Performance Indicator Report 2017 – September 2018

The annual Performance Indicator Report published by NOAC is one of its key reports every year. NOAC has the function of scrutinising local authority performance against relevant indicators. NOAC believes that monitoring performance over time and against comparable authorities has the potential to encourage continuous improvement in local authority service provision.

#### Points to Note

##### ■ Roads

Donegal County Council had the lowest proportion of roads with structural distress at 2%.

Motor Tax-Donegal has the lowest percentage of motor tax transactions completed on line at 50.13% although this has increased by over 3% from 2016.

##### ■ Waste

Donegal County Council continued to have the lowest uptake of brown bin service at 2% or 1,167 households. The national average is 40%.

Pollution cases on hand at the end of the year rose significantly from 2.58 to 62.67 (675 cases on hand at year end out of 1,077 complaints made in 2017).

##### ■ Finances

Donegal County Council's deficit was 6.18%, nationally the average was a deficit of 0.82%.

##### ■ Commercial rate collection

Donegal had the lowest collection performance nationally at 74.30% collected.

Full figures for PI 2014; 2015; 2016 and 2017 are on page 17.

### NOAC REPORT NO 17

#### Internal Audit in Local Authorities - July 2018

- The Head of Internal Audit reports to the Chief Executive (CE) and Director of Finance.
- Internal Audit met with the Audit Committee 4 times in 2016.
- The LGAS commented in 2016 that in 2016, Donegal County Council's Internal Audit function consisted of 3 personnel; a reduction from 2012 when there was 5. This has an impact on the ability of Internal Audit to continue to carry out its work to the same level going forward. It was noted that it is considered by the Council that the staffing compliment of the Internal Audit compares well with other similar sized local authorities, both in number and grade.

## NOAC REPORT NO 16

# Review of 2015 Statutory Audit Reports to the Members of Local Authorities – June 2018

### Procurement and Purchasing

Central Invoice matching was planned to be in place in Donegal County Council by end 2017.

### Property Management

Donegal County Council had assigned a dedicated senior manager to the maintenance of registers until full implementation of new systems, procedures and practices have been achieved.

Commercial Rates	
2014	56%
2015	63%
2016	68%
2017*	74%

Housing Rents	
2014	89%
2015	90%
2016	89%
2017*	89%

Housing Loans	
2014	63%
2015	63%
2016	66%
2017*	68%

\* Updated figures from Performance indicators not included in original report

### Local Authority Owned Companies

The LGAS Auditor raised a number of issues in relation to companies in which Donegal County Council has an interest and the Council advised that this subject was included in the Internal Audit work programme for 2016. In response to NOAC's query as to the outcome of the Internal Audit review, Donegal advised that recommendations from two completed reports were under consideration by management and the remaining review was due to be completed in 2017.

## NOAC REPORT NO. 15

# Operation of Audit Committees in Local Government – June 2018

### Review of Value for Money and Performance

Without impacting on the statutory remit of the Audit Committee, Donegal County Council has established a separate Value for Money Committee to review and monitor value for money topics such as procurement, process efficiencies, systems and related matters.

### Follow-up of Response of Local Authorities to Matters Raised

The Audit Committee instanced specific tracking procedures were in place to track matters raised.



## NOAC REPORT NO. 12

## A Review of the Management and Maintenance of Local Authority Housing - May 2017

Number of Housing Estates managed by each Local Authority	379
Average no. of dwellings per estate in 2014	11
No. of units are in single rural locations in 2014	707
WTE Staff 2014 - Management	9
WTE Staff 2014 - Maintenance	17.8
Dwelling Units per Management WTE	536.1
Vacant Units as a Percentage of Overall Stock Levels – Autumn 2015	3.1%
Re-letting Unit Cost by Local Authority in 2014	€4,762
Expenditure on Readying Vacant Units Paid to Contractors	€757,936
Rental Income 2014	€10,948,697
2014 Rental Income as % of Rent due in 2014	100
% of Total Collectible in 2014 (including arrears) Collected in 2014	89
Amount of Rent Due Written Off/Waived in 2014	€55,207

### High Demand Housing Prioritised

Prioritising the refurbishment of housing in high demand areas was another method being used by local authorities to minimise vacancies. Donegal County Councils said that this was an approach that they employed.

### Establishing the Condition of Local Authority Housing Stock

In order to be in a position to make decisions around maintenance, a local authority needs to be aware of the condition of its housing stock. Authorities were asked their approach to gauging the condition of their stock. Donegal is one of only 15 local authorities have ever carried out condition surveys.

	2017	2016	2015	2014
Average time from vacation date to PI year re-letting date (weeks)	40.07	41.90	44.48	38.02
Average cost expended on getting re-tenanted units ready for re-letting	€13,948	€9,865	€8,037	€4,762
Average repair and maintenance cost per unit	€1,361	€813	€701	€308

## NOAC REPORT NO 10

## Rented Houses Inspections - A Review of Local Authority Performance of Private Rented Houses Regulations Functions - October 2016

### Local Authority Expenditure on Private Rented Sector Functions

On the basis of the Departmental 2015 allocations data, Donegal received income in excess of their expenditure in 2014. The percentage received was 177%. The expenditure by the Council was €32,500 on Private Rented Sector Functions while funding of €57,600 was provided by the Department. The surplus of €25,100 was used for the Housing Management Service Support Centre.

### Outcome of Inspections

Local authorities reported nationally that a total of 8,336 or 55% of the dwellings inspected were deemed non-compliant with the Standards for Rented Houses Regulations in 2014. Donegal reported the lowest number of inspected properties (5) deemed non-compliant with the Standards for Rented Houses Regulations in 2014 which is below 1% of the houses inspected.

	2014	2017
Number of Registered Tenancies	5,567	7,132
Expenditure on Private Rented Sector Functions in 2014	32,500	not available
Percentage Units inspected	10.3%	12.7%
Inspected Failed %	0.9%	98.84%

Data from report relates to 2014, data for 2017 taken from Performance Indicator Report included in original report

## NOAC REPORT NO 8

## Financial Performance of Local Authorities 2013-2015: Deficits, Audit Opinion and Financial Statements – April 2016

NOAC decided to seek further information from those local authorities showing a cumulative revenue deficit at end 2013 greater than 9% of their revenue.

Donegal County Council had a cumulative deficit at end 2013 of nearly €17.8m representing 13.6% of the revenue in that year. The extent of the cumulative deficit at end 2013 was attributed by the Chief Executive to the following factors:

- demand arising for services,
- the revenue required to fund services,
- capital expenditure incurred and co-funding implications of that,
- the impact of local economic challenges on income, and
- retirement gratuities of €9.75m in the period 2008 to 2012.

In addition, the Chief Executive drew attention to reductions in income from the Local Government

Fund (€27.91m over 2008-2012), planning income reduction (€7.94m over 2006-2012) and a reduction of payroll recovery from capital of €15m over 2008-2012.

The Council supplied figures relating to its deficit and specific revenue reserves going back to 2001 when the accumulated deficit was already greater than €9.9m. It had increased by 24% the following year and by a further 32% in 2003 to a cumulative €16.3m. Thereafter, the accumulated deficit reduced gradually each year up to end 2011 when it stood at €12.3m. In 2012 it increased by 39% while the increase the following year was 4%, bringing the deficit to €17.8m at end 2013.

Measures endorsed by the elected members in autumn 2010 for progressive utilisation by Donegal County Council included:

- arranging a loan to replace overdraft financing of unfunded capital debt estimated at the time to be €48.6m,
- examination and re-organisation of services to achieve the maximum sustainable levels of efficiency and reduction in expenditure having regard to a number of factors,
- maximisation of income collection in areas such as the Non-Principal Private Residence (NPPR) charge,
- targeting of external funding opportunities in areas such as INTERREG and PEACE and earliest possible recoupmnt of external funds,
- reduction in staff numbers by 33% from 1,240 at end 2006 to 832 at end 2014,
- pursuit of procurement efficiencies and participation in national shared service initiative developments.

The Chief Executive advised that progress in implementing these measures since then has resulted in a significant reduction in payroll costs, the resolution of the outstanding unfunded capital debts, substantial income from the NPPR, the establishment of significant efficiencies and a substantial increase in the provisions for bad debts, while maintaining service delivery. The consequential improvement in the cash position has enabled the Council to operate without the need to draw on an overdraft since early 2011. The finalisation of arrangements with Irish Water further improves the cash position.

## Subsequent Performance

The inclusion in Donegal County Council's accounts for 2014 of outturns and balances in respect of the dissolved Buncrana, Bundoran and Letterkenny Town Councils reduced the opening deficit by €2.045m and there was also a surplus that year of €785,544. The unaudited accounts for 2015 show a further surplus of €620,934 bringing the accumulated deficit down to €14.35m or 10.75% of revenue for the year.

The audit report on the 2014 accounts referred to the need for strict budgetary controls to be constantly monitored and reviewed to eliminate the cumulative deficit, which was described as a very serious matter for the Council to address. The Auditor also broke down the loans totalling €171m payable by the Council into mortgage and approved housing body related borrowings of €66m, loans recoupable from Irish Water of €37m and borrowings for assets that have to be funded internally by the Council of €68m. In the Chief Executive's response to the Auditor, he referred to the range of targeted actions being applied over the period to 2019 with the objective of moving to a situation where reasonable expenditure demands are in balance with income. He also referred to the Council's intention, as part of its 2016 revenue budget considerations, to provide for the paying of full principal and interest on the non-mortgage loan book, which will see the gradual reduction over time of the €68m borrowings that are to be funded internally by the Council.



### Revenue Balance – Donegal

	General Revenue Balance	Income	Balance as % Income
2013	(17,796,835)	130,607,220	(13.63%)
2014	(14,966,588)	143,117,487	(10.46) or
		134,117,487	(11.16%)
2015*	(14,345,654)	133,474,189	(10.75%)
2016*	(9,717,139)	141,837,153	(6.85%)
2017*	(8,953,104)	144,876,819	(6.18%)

### Annual Financial Statement Production 2013 - 2015

Donegal was compliant with requirement for the submission of AFS by the deadline of 31 March for 2016 having missed the deadline for the two preceding years.

Year	Date Presented
2013 AFS	23 May 2014
2014 AFS	29 May 2015
2015 AFS	31 March 2016

	Performance Indicators	2017		2016		2015		2014	
		Data	Median/ Average	Data	Median/ Average	Data	Median/ Average	Data	Median/ Average
H1	Social Housing provided in year per 1,000 population	0.41	0.53	n/a	3.43	3.20	1.91	0.19	0.80
H2	% of directly provided dwellings vacant at 31/12	4.42	2.73	3.30	3.02	2.97	3.5	3.67	3.8
H3a	Average time from vacation date to PI year re-letting date (weeks)	40.07	28.9	41.90	32.99	44.48	28.43	38.02	31.43
H3b	Average cost expended on getting re-tenanted units ready for re-letting	€13,947.77	€17,160.60	9,865.18	€15,877	8,037.29	€13,378.40	4,762.10	€11,534.91
H4	Average repair and maintenance cost per unit	€1,360.53	€1,311.82	812.78	€1,500.23	701.42	€1,292.57	308.00	€1,272.30
H5	Inspections (Dwellings inspected in 2016) carried out in year as % of registrations	12.07	4.96	8.17	4.36	8.39	5.64	10.35	6.51
R1a	% Regional Road KM that ever received a PSCI rating	99	96	99.00	99	22.00	68	100.00	47.9
R1b	% Total Regional Road KM with a PSCI rating of 9-10	37	28	37.00	30	6.00	20	17.24	11.15
R1c	% Total Primary Road KM with a PSCI rating of 9-10	20	20	28.00	13	19.00	11	19.67	6.4
R1d	% Total Secondary Road KM with a PSCI rating of 9-10	20	14	17.00	10	12.00	8	12.53	4.61
R1e	% Total Tertiary Road KM with a PSCI rating of 9-10	10	8	9.00	7	8.00	5	14.09	3.63
R2a	KM Regional Road strengthened using road improvement grants	18.30	10.3	20.60	10.8	18.80	10.2		
R2b	KM Regional road resealed using road maintenance grants	28.20	11.9	23.30	12.2	30.10	8.3		
R2/3	% Motor tax transactions performed online	50.13	65.95	46.75	64.05	40.63	56.6	35.80	54.7
W1	% private schemes with water quality in compliance	94.84	98.46	94.19	97.77	94.30	99.07	91.80	97.9
E1	% households availing of a 3-bin service	2.00	39.53	1.25	37.7	0.23	34.87	0.10	31.66
E2	Pollution cases on hand at year end as % of the cases that arose that year	62.67	9.79	2.58	9.91	22.92	8.49		
E3	% area unpolled or litter free	7	10	7.00	13	5.00	14	9.00	9.5
P1	New buildings inspected as % of new buildings notified	19.38	17	25.00	19.42	24.22	24	10.35	17.71
P2	% of determinations that confirmed the decision made by LA	78.26	79	64.10	77.78	58.33	71.88	65.52	71.7
P3	Ratio of planning cases being investigated at year end as to cases closed	2.16	2.41	15.24	2.87	15.98	2.61	15.31	2.88
P4	Cost per capita of the Planning Service	€24.86	28.31	22.83	€26.96	23.57	€26.76	26.52	€25.27
F1	Cost per capita of Fire Service (based on 2011 Census for 2014 and 2015)	€49.02	57.74	44.59	€56.07	47.61	€57.88	40.97	€55.9
F2	Average time to mobilise Brigade re Fire (Minutes) (FT)	N/A	1.45	n/a	1.5	N/A	1.6	N/A	1.66
F3	% of Fire Cases in which first attendance is within 10 minutes	30.13	40.45	28.21	57.79	28.17	56.98	30.70	58.6
L1a	No. of Library visits per head of population	2.24	3.56	2.11	3.61	2.19	3.68	2.11	3.71
L1b	No. of Items borrowed per head of population	1.63	2.92	2.06	3.82	2.07	3.82		
L2	Cost of Library Service per capita	24.48	31.00	23.27	€30.05	22.91	€30.02	21.83	€29.41
Y1	% of local schools involved in Comhairle na nÓg Scheme	70.37	69.04	85.19	68.07	100.00	67.59	99.09	51.86
C1	WTE staff per 1,000 population	5.71	5.75	5.61	5.64	5.29	5.58	5.17	5.63
C2a	% of paid working days lost to medically certified sick leave in year	3.61	3.74	3.85	3.76	4.02	3.52	3.55	3.34
C2b	% of paid working days lost to self-certified sick leave in year	0.33	0.33	0.34	0.38	0.35	0.39	0.36	0.4
C3	LA website page views per 1,000 population	10331	14,632	7,256.16	12,422	6,304.32	11,666	4,109.72	9,651
C4	Overall cost of ICT Provision per WTE	€2,738.03	€3,048.41	2,527.73	€2,675.69	2,649.84	€2,680.15	2,677.59	€2,646.8
M2a	% Commercial Rates Collected in year	74.3	83	68.00	82.3	61.20	83	56.00	77
M2b	% Rent & Annuities Collected in year	89.2	89	89.00	88.0	89.80	85	89.00	84
M2c	% Housing Loans Collected in year	67.9	74	66.00	70	63.40	68	63.00	67
J1	LEO jobs output per 1,000 population	0.59	0.68	1.07	0.7	1.14	0.66	0.28	0.73

Per population based on census figures for 2011 and 2016 (161,137 in 2011 and 159,192 in 2016)



# Stage 1 meeting

NOAC profile meeting with Donegal County Council in Lifford Co Donegal

Date:	10 January 2019	
Attendees:	<b>Chair:</b> <ul style="list-style-type: none"> <li>■ Michael McCarthy</li> </ul> <b>Secretariat:</b> <ul style="list-style-type: none"> <li>■ Claire Gavin</li> </ul>	<b>Donegal County Council:</b> <ul style="list-style-type: none"> <li>■ Seamus Neely, Chief Executive</li> </ul>

Donegal profile information issued by NOAC in advance of the meeting to Donegal County Council and this was the basis for the discussion on the day.

Seamus Neely welcomed NOAC and had a presentation prepared which he made to explain the way Donegal operates and the issues facing it.

## Overview

It was explained that the location of Donegal is in a unique position with regard to land borders and the fact that only 9km of its border is with Leitrim and the remainder is with Northern Ireland. The presentation is attached and provides much of the detail of the discussion. It was outlined that Lifford was the headquarters but that there were 5 Public Service Centres throughout the county with approximately 30 Local Authority staff in each. These centres are required given the size of the county and other public services are available in these centres. The county is 80% rural and 20% urban and there are 5 Municipal Districts with 37 Councillors. There is a full Council meeting every 2 months but the Municipal districts meet formally monthly and more times if necessary. The MD have devolved

functions and this format works excellently. Local issues are addressed at MD level and more strategic work is carried out at the plenary Council meetings.

The Spatial Planning was discussed and how a lot of the planning takes into account its location and how a lot of the planning is done for the North West City Region, which is a cross border area taking into account the population and services in both the Donegal and Derry City and Strabane Council areas. This affords an opportunity to promote the area for tourism, education and enterprise. It was also outlined that the Northern authority system does not have roads, housing or water functions but in the past number of years (since the reforms of Local Government in Northern Ireland) the Northern Councils now have similar roles / competencies in land use planning, community planning and enterprise development. Work is ongoing with other public agencies to establish how matters such as job creation etc can best be developed. However, for the region it is important and when attracting investment into the area the region works together rather than compete as both authorities ultimately benefit. This collaboration is grounded on three regional objectives

- Economic growth and investment
- Physical and environmental development
- Social and community cohesion and wellbeing

This approach was endorsed by both Governments and has attracted €5m through the “Fresh Start Agreement”. Governance arrangements for this funding have been put in place through the North West Regional Development Group and supported by the North West Strategic Growth Partnership. It was outlined that the CEs from Derry and Donegal both provide joint Executive support to this group.

## Brexit

and the impact on the Council was discussed. Tourism in the region has a heavy reliance on UK visitors. Approximately 10% of the work force is employed across the border. Education and health care are also vital cross border services. Arrangements are in place for some services like the Cancer Specialist unit based in Derry, which will continue to see services delivered into the foreseeable future. A number of companies have already put changes into place, like the sourcing of raw materials to be ready for the changes. The Government’s proactive approach is giving companies some comfort.

## Finances

It was outlined how with the support of the members and the Department, that the financial issues facing the Council in 2010 started to be addressed. There was a need to get a €50 million loan and to plan the budgets and services from that point based on the affordability / need balance. The Council is ahead of where they expected to be and now have some reserves. These reserves are in place to ensure that any short term shocks can be managed without impacting on the sustainability of the organisation. It was also noted that the reserves also facilitated the drawdown of grants as there is frequently an element of co-financing required and in order to attract these grants, funding needs to be available. The financial data was included on the presentation also.

## Rates

While the rates collection rate is still the lowest in the country (PI Report 2017), it has improved. The main issue relating to rates was that there are over 500 businesses (60 of which are hotels) in the county that are almost wholly dependent on tourism. Many of their businesses were very badly impacted by the recession. The enforcement of rate collections had to be managed so that the outcomes would not inevitably lead to the closure of these businesses which would affect tourism, local employment, and as a consequence, the viability of the wider economy. It was decided that these outstanding rates would not be written off but would be collected on a phased basis. If rates were written off, the Council collection rates would appear better but of the €6m which would have been written off, €1.5m has in fact been collected. The Council is working with these businesses and making sure that if payment can be made that it is being collected. There are a very large number of properties that await valuation at present and when this is completed, there should be an increase in the overall funding from rates.

## NPPR Tax

A special unit was established within the Council with three dedicated staff to establish and collect outstanding NPPR tax. In 2018, over €2m was collected.

## PI report 2017

The brown bin collection rate and illegal dumping was discussed and the CE gave a general outline of matters. It was agreed that results of the PI report in this area would be examined in greater detail as would other results at the full NOAC meeting.

## NOAC Meeting

The format of the NOAC meeting was explained and Seamus Neely accepted the invitation to attend the full NOAC and noted the possible date of April 16th and that attendance would be required for 11am.

# 3

## Stage 1 presentation



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### Overview of County Donegal and Donegal County Council

**Seamus Neely**  
Chief Executive

**10<sup>th</sup> January 2019**





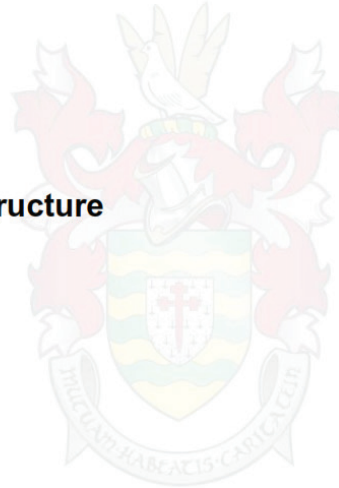


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## Overview

- **County Donegal Context**
- **Donegal County Council Structure**
- **Donegal County Council Management Structure**
- **Income & Expenditure**



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### County Donegal Context

- Donegal is the most northern county in Ireland
- Current population – 158, 755
- 4<sup>th</sup> largest County in the Republic of Ireland and the largest County in the province of Ulster
- Donegal has a border of 140km with Northern Ireland and 9 km with the Republic



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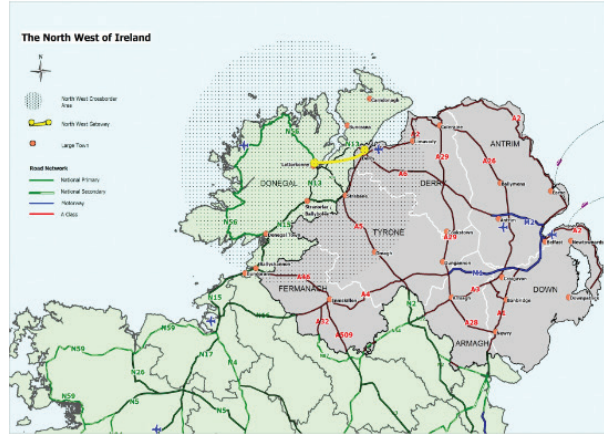




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## County Donegal Context

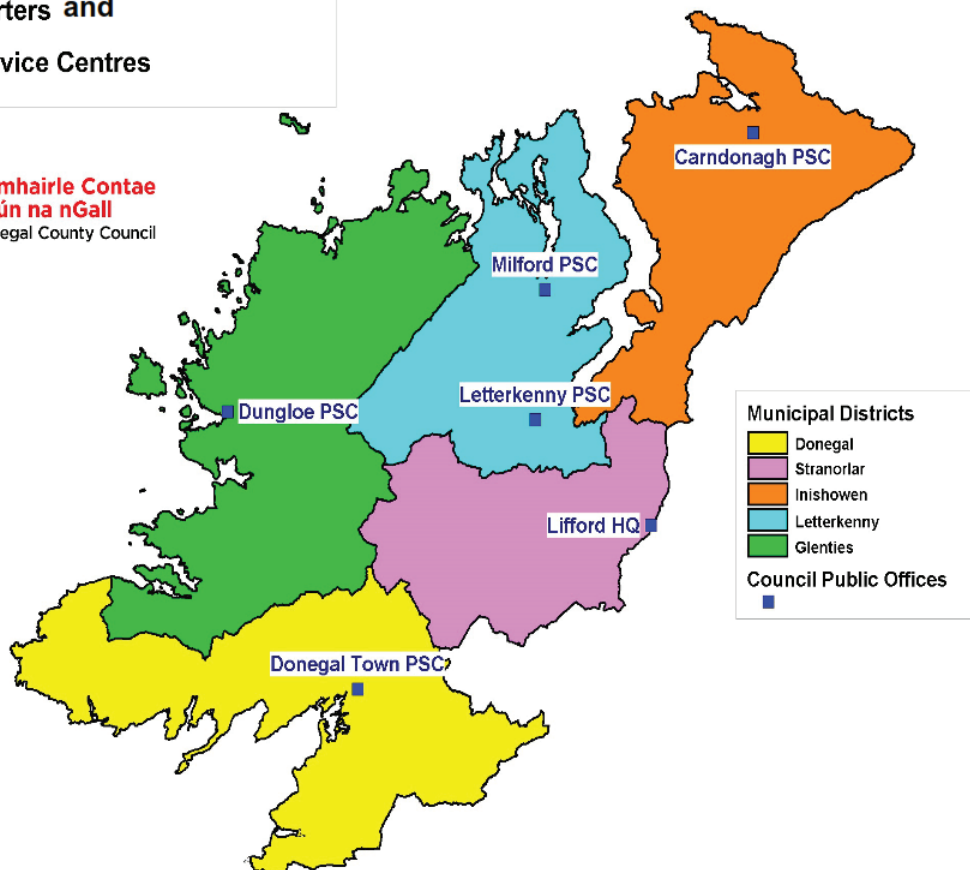


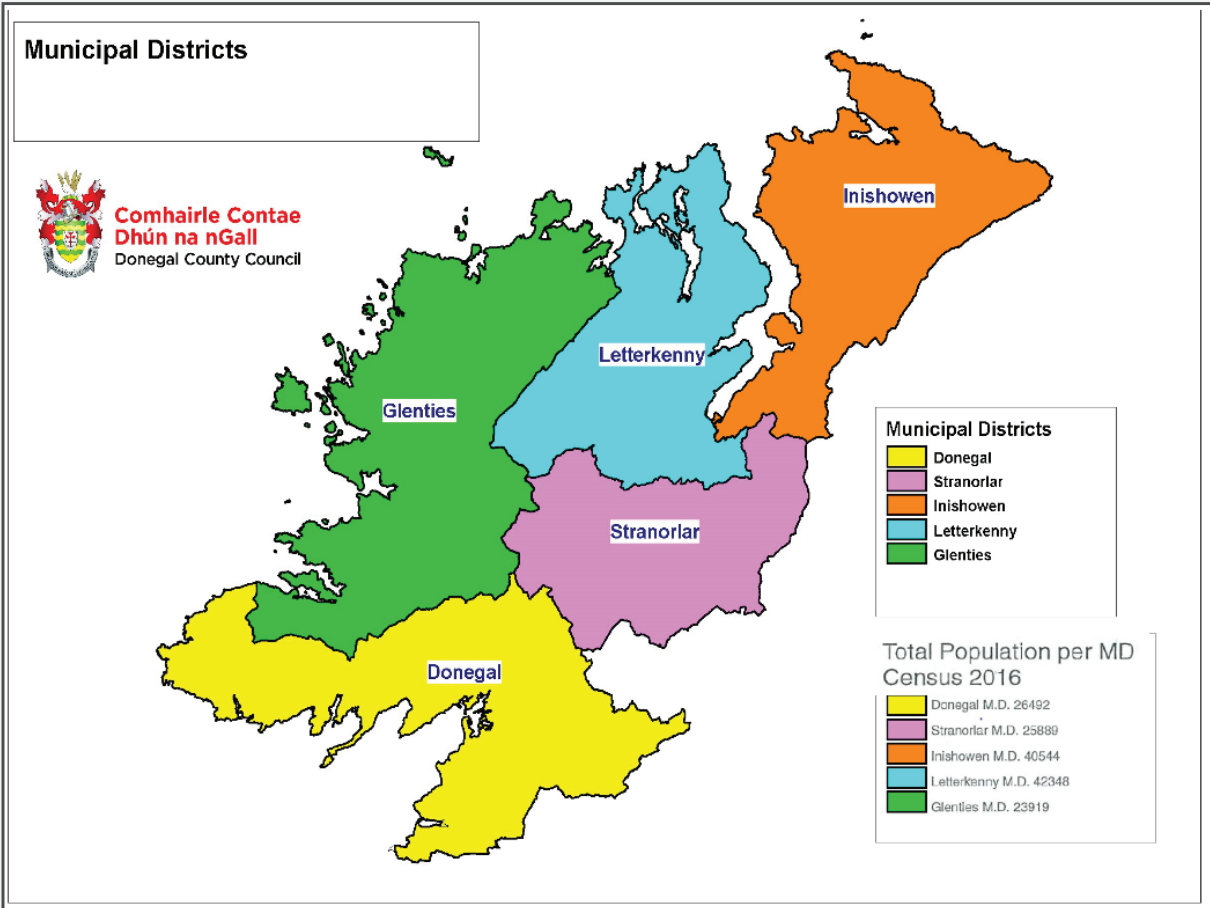
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### Head Quarters and Public Service Centres



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## Donegal County Council Structure

- 37 Elected Representatives representing 5 Municipal Districts

Municipal District	No. of Elected Representatives
Letterkenny	10
Stranorlar	6
Glenties	6
Donegal	6
Inishowen	9

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## Donegal County Council Funding 2018 / 2019

Sources of Income	Budget 2018	Budget 2019
Commercial Rates & PEL	€34,195,404	€35,080,806
Irish Water	€15,627,608	€16,192,117
Local Government Fund / Local Property Tax	€25,119,850	€25,119,850
Grants	€40,684,130	€35,795,264
Housing Rents (Inc Shared Ownership Rent)	€12,222,663	€12,743,716
Superannuation & Pension Levy	€2,000,000	€2,000,000
Fees & Charges	€2,085,240	€2,086,328
Property Rental / Leasing of Land	€784,610	€874,742
Other	€11,564,507	€10,838,478
Targeting of Exceptional NPPR Income	€1,000,000	€1,400,000
Utilisation of Internal Capital Receipts	€750,000	€750,000
Availability of Certain Other Reserves	€2,761,542	€3,098,502
<b>Total</b>	<b>€148,795,554</b>	<b>€145,979,803</b>

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## Donegal County Council Expenditure 2018 / 2019

Expenditure	Budget 2018	Budget 2019
Payroll & Staff Costs	€54,462,214	€57,294,767
Pensions & Gratuities	€9,419,911	€9,159,636
Insurance, Loan & Financial Charges	€10,171,656	€10,082,488
Materials & Equipment	€6,855,233	€7,956,627
Contracts	€30,991,171	€21,950,135
Refunds & Provision for Bad Debt	€6,832,564	€7,084,080
Rent & Rates	€1,245,763	€1,145,853
Grants & Contributions	€5,252,236	€5,470,629
RAS, Long Term Leasing and HAP	€4,241,513	€3,984,646
Energy	€2,766,867	€2,745,465
Communications, Postage & Advertising	€1,304,335	€1,342,273
Other	€15,252,091	€17,763,204
<b>Total</b>	<b>€148,795,554</b>	<b>€145,979,803</b>

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## Current Spatial Planning Hierarchy

- Coordinated by Northern & Western Regional Assembly
- Covers former Regional Planning Guidelines
- North West
  - ✓ North West Region Metropolitan Plan
- Sub regional:
  - ✓ Donegal County Development Plan
- Donegal
  - ✓ 7 Strategic Town Local Area Plans
  - ✓ Letterkenny Local Area Plan

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## North West City Region

- **Cross-Border City Region** - Encompassing Letterkenny, Derry/Londonderry & Strabane - > 350,000 population at 50km radius  
400,000 population at 60 km radius
- **35% of population** <25 years
- **40,000 3rd level & PLC students** – UU; NWRC; LYIT
- **2 major acute regional hospitals**
- **Sub-Regional Economic Driver** –North and South

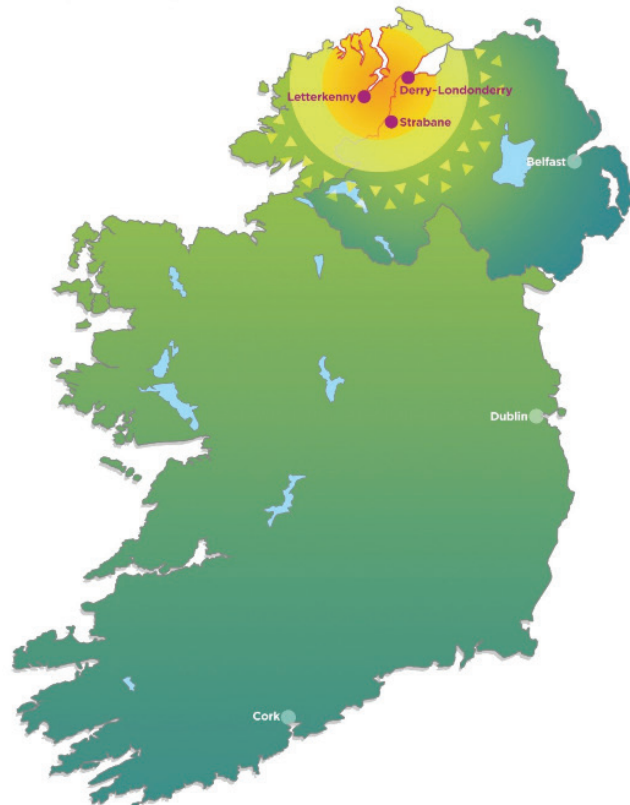
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## North West City Region & the NPF

### National Policy Objective 45

*"In co-operation with relevant Departments in Northern Ireland, support and promote the development of the North West City Region as interlinked areas of strategic importance in the North-West of Ireland, through collaborative structures and a joined-up approach to spatial planning."*

*Page 165 of NPF*





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## North West Vision and Approach

***A thriving, sustainable, prosperous City  
Region with equality of opportunity for all.***

- Clear, strategic, place-based leadership
- Shared objectives and partnership working
- Results and outcomes focused
- Collaborative, inclusive and integrated approach

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## North West Objectives

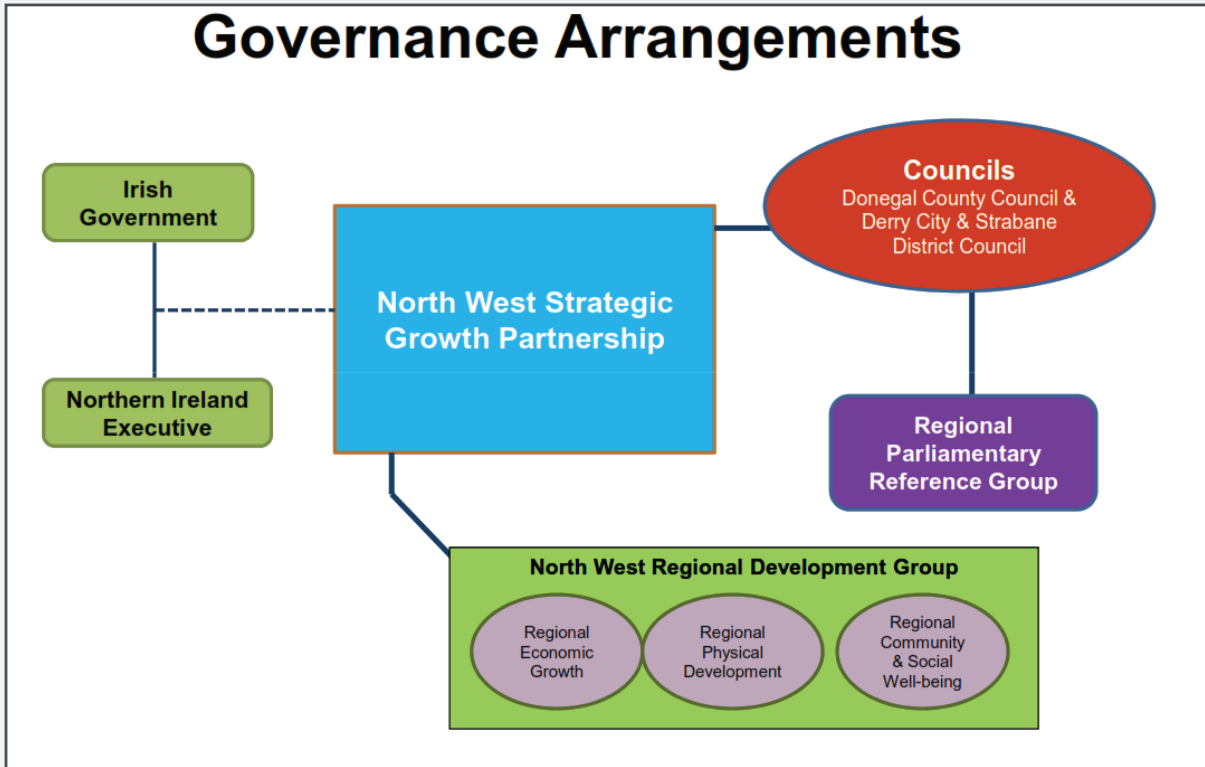
- **A new and integrated approach**
- **One Voice** for the North West City Region
- **Agreed regional objectives:**
  - Economic growth and investment
  - Physical and environmental development
  - Social and community cohesion and wellbeing

***Realise the full and considerable potential of the  
North West City Region – the 4<sup>th</sup> largest on the Island –  
as a positive contributor to the economy, North and South.***

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# Governance Arrangements



## County Donegal Development Plan 2018- 2024

### The VISION of the Plan

By **2038**, County Donegal will be a **connected place** with a **strong, competitive and innovative economy** that is **attracting and sustaining** a population of upwards of **200,000 people**, offering a **quality of life ranked highest in the country** and asserting a **key role** in the context of the **North West City Region** and within the area of the Northern and Western Regional Assembly.



**200,000** people by **2038**

#### LOCATION

Ireland Northwest has proximity to 2 international airports, 4 regional airports, 2 deep sea ports and a primary road network.

- INTERNATIONAL AIRPORT
- REGIONAL AIRPORT
- DEEP SEA PORT



Source: Gateway To Growth Brochure, DCSDC and DCC, 2016



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Thank you.



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# Stage 2 meeting

National Oversight and Audit Commission (NOAC) meeting with Donegal County Council

Date:	16 April 2019	
Venue:	Withdrawing Room, Custom House, Dublin 1	
Attendees:	<p><b>Chair:</b></p> <ul style="list-style-type: none"> <li>■ Michael McCarthy</li> </ul> <p><b>Members:</b></p> <ul style="list-style-type: none"> <li>■ Tara Buckley</li> <li>■ Sharon O'Connor</li> <li>■ Martina Moloney</li> <li>■ Connie Hanniffy</li> <li>■ Michael McGreal</li> </ul> <p><b>Secretariat:</b></p> <ul style="list-style-type: none"> <li>■ Claire Gavin</li> <li>■ Neill Dalton</li> <li>■ Colin Flood</li> </ul> <p><b>Apologies:</b></p> <ul style="list-style-type: none"> <li>■ John Buckley</li> <li>■ Dave Holohan</li> <li>■ Colleen Savage</li> <li>■ Paul Lemass</li> </ul>	<p><b>Donegal County Council:</b></p> <ul style="list-style-type: none"> <li>■ Seamus Neely, Chief Executive</li> <li>■ Richard Gibson, Head of Finance</li> </ul>

The Chair welcomed the Chief Executive and Head of Finance to the meeting. The Chief Executive provided an update to the group on matters concerning the Council by means of a presentation which he outlined and referred to the way they operate and the challenges that they face.

The Chief Executive (CE) and Head of Finance then proceeded to answer questions from the NOAC members.

## Brexit

The NOAC Board highlighted Brexit as a major threat to the development of the County. Donegal confirmed that its work on Brexit solutions began directly after the Brexit referendum. It has worked with Strabane and Derry have published a joint

analysis (Initial Analysis of the Challenges and Opportunities of Brexit for the North West City Region).

The CE advised that free movement of people, goods and traded services are top priorities for Donegal due to the large daily movement of people over the border for work, circa 8,000, for education and for medical attention.

## Population

The NOAC board identified the challenges that Donegal face in population distribution. The trend is for young people to move from the West to the East of Ireland. The Board enquired if Donegal had a strategy to combat this. The Chief executive advised Donegal are aiming to increase the population by:

- Improving quality of life in secondary Donegal towns
- Promoting the Wild Atlantic Way and other tourism initiatives
- Implementing a targeted approach to skills development and student retention in the region
- Introducing digital hubs and looking at growing graduate and high end jobs. Ensuring growth in both quality and quantity of employment opportunities.

The CE raised a concern regarding the CSO population figures in the 2016 census. He advised that locally, it was believed that people were encouraged not to complete their census forms in light of the debate on water charges. He referenced some evidence that townlands with obvious population levels had been recorded lower than those figures. This reduction in population figures as shown in the Census made the development work of Donegal more difficult

## Tourism

NOAC recognized that a large percentage of tourism in Donegal came across the border from Northern Ireland. NOAC enquired if Donegal believe it is open to damage due to fluctuations of Sterling. Donegal advised that while fluctuation in the Sterling will always be a concern for its tourism, the industry had a long experience in managing same. As such, the exposure to Sterling fluctuation is not a high as it might be. It is actively expanding promotion in the USA and China.

## Performance Indicators (PI)

When the NOAC Performance Indicators Sub Group visited Donegal County Council in 2018 as part of the PI validation visits, it was highlighted by Donegal that it wished to have more involvement from Councillors in the performance indicators. Donegal advised that it will develop a plan with the new Councillors after the local elections and the Performance Indicators will be a large part of the work.

Donegal confirmed it wants to use housing KPIs for its operational and corporate planning.

The CE advised that he believed the Roads indicators were useful internally but are also useful to readers outside the Council as they show what work is being done and at what relative cost however, it was noted that the current system does not show where work and investment is required.

Donegal gave a further example of how the PIs assist its decision making when it decided to sell 10 rural dwellings that it could not re-tenant. These dwellings had been having a negative effect on its PIs.

## Housing

The NOAC board complimented Donegal's efforts to increase the population of the County. The Board queried Donegal's strategy, specifically the housing requirement of such an increase in population, especially in the current housing climate.

The CE advised that the level of increase in housing required has previously been achieved during a similarly sized population growth from 1970 to 2000. This was achieved in a similarly difficult time. The current vacant housing stock should fulfil up to one third of the requirement. A team of 10/12 people has been assigned to focus on urban, rural and economic development initiatives. Donegal also pointed out that there is a view that distressed and repossessed properties can lie idle for extended periods of time before being auctioned by the banks so there is supply available that is not being used.

The average re-letting time of vacant properties was of concern. Donegal advised that 51 units on the vacant list should be re-let this year. The CE advised that there are many reasons that drive vacancy including tenants who are in long term care but wish to retain their home. He also advised that a number are being held for refugee resettlement purposes which is expected to close out shortly thereafter.

The CE advised that the Council has intensified work around houses that are not accepted when offered to people on the housing list. He said that while personal needs and the suitability of houses and location change quickly, Donegal needs to be more firm with housing refusals.

## Town Regeneration

It was noted that a lot of work was taking place on the regeneration of Letterkenny with new family style housing and town centre housing. It was queried if the work undertaken by Queens University had been explored and if a town centre health check had been carried out as was recommended in that research. The CE confirmed he was aware of the research.

## Environment

The Board recalled that illegal dumping received coverage on RTÉ's Prime Time last year. The CE advised that there were two significant instances reported. He believed that there was some doubt as to the accuracy on one of the cases covered in particular. He advised that combating illegal dumping was and remains a challenge. It is being pursued through the courts with all necessary resources being applied. Donegal are proactively encouraging people to report any offences. Last year 50 sites came to its attention and 30 sites were of interest. Donegal is currently working through these 30 sites, which they have divided into categories ranging from significant to minor and have 6 new enforcement staff employed to work on this area. A lot of progress has been made but there is still a lot to do.

The brown bins level for 2018 was at an unacceptable level but NOAC advised that it was good that progress was being made.

## Letterkenny Leisure Centre

It was outlined that this cost €23/€24m to develop and this was done by means of a SPV with grants from the Department of Tourism and Sport and the Town Council. The funding provided to construct the facility was in the form of a grant and not a repayable loan. The Council have no concern about this project.

## Value for Money (VFM)

NOAC enquired about Donegal's commitment to VFM. The CE advised that there is a VFM Committee that works closely with the Internal Audit team. Procurement is one of their main focuses. All new Procurement frameworks have been introduced which has been a major improvement.

The Head of Finance confirmed savings have been made in the following areas: Postage costs: Savings of circa €20k.

Landline costs: Savings of circa €40k.

The operation of fuel cards have been reviewed and savings achieved Electric costs: Savings of circa €20k.

Donegal noted although the savings are small, they are repeatable.

## Finance

NOAC queried the financing of the Letterkenny Sports Facility. Donegal advised that the issue reported in the LGAS Audit Report was a timing issue. The funding to construct the facility was provided to the Town Council as a grant and made available to the SPV as a non-repayable loan. The audit report referenced issued prior to the required write off being reflected in the accounts of the SPV.

NOAC also asked why the Purchase order compliance was at a low 30%. The Head of Finance advised that a central invoice matching team was introduced in Quarter 1 of 2018 which led an increase to 87% compliance and expects this to rise to the low 90% range which it believes is acceptable.

## Other matters Broadband

The CE explained that they were working closely with all providers but had a number of initiatives underway in the county.

## Town Centre Diversity

NOAC suggested that towns such as Buncrana needed to attract more retail outlets and to move away from the fast food and gambling units, citing the work done in Newcastle as an example of good practice. The CE acknowledged that he could understand the observations and outlined that work will be done to attract creative industries, development of culture and heritage in the area replanting of roundabouts etc. to improve the town centre.

## Conclusion

The NOAC Chair thanked the Chief Executive and Head of Finance for coming in to meet with NOAC and for providing valuable insight into its work.



# 5

## Stage 2 presentation



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### Overview of County Donegal and Donegal County Council

Seamus Neely  
Chief Executive

Richard Gibson  
Head of Finance

16<sup>th</sup> April 2019





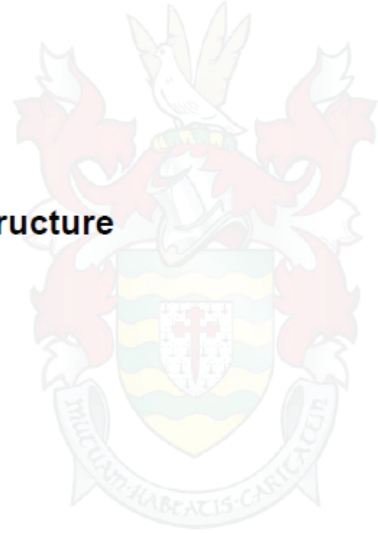


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## Overview

- **County Donegal Context**
- **Donegal County Council Structure**
- **Donegal County Council Management Structure**
- **Income & Expenditure**



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### County Donegal Context

- Donegal is the most northern county in Ireland
- Current population – 158, 755
- 4<sup>th</sup> largest County in the Republic of Ireland and the largest County in the province of Ulster
- Donegal has a border of 140km with Northern Ireland and 9 km with the Republic



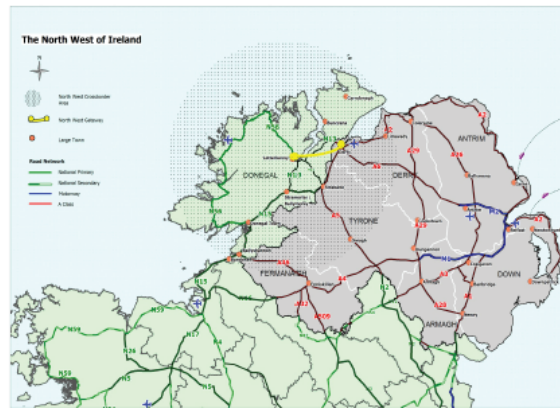
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## County Donegal Context

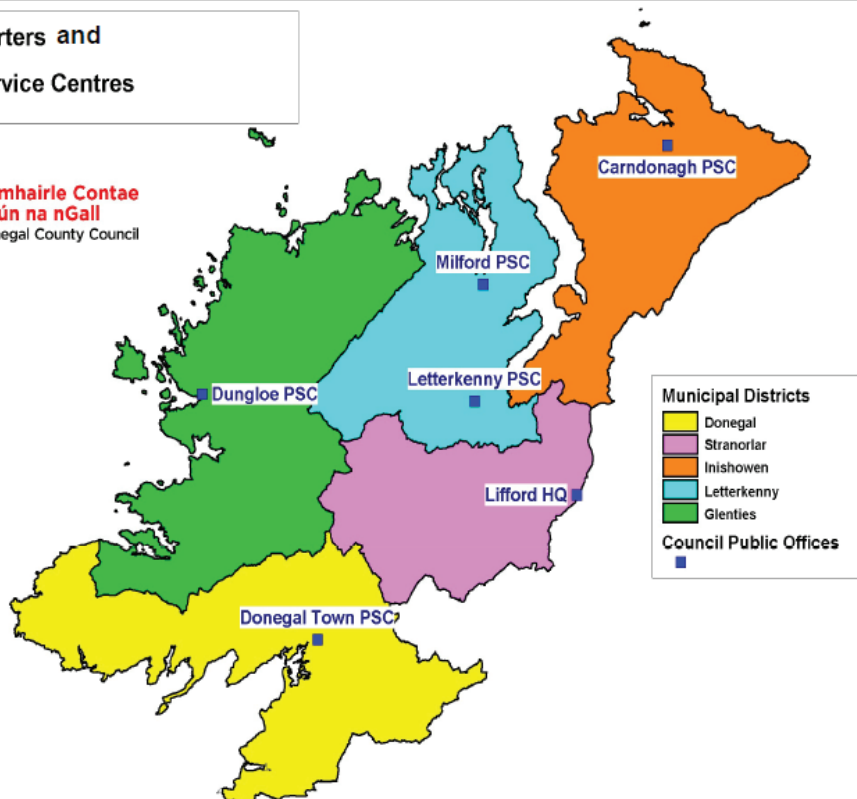


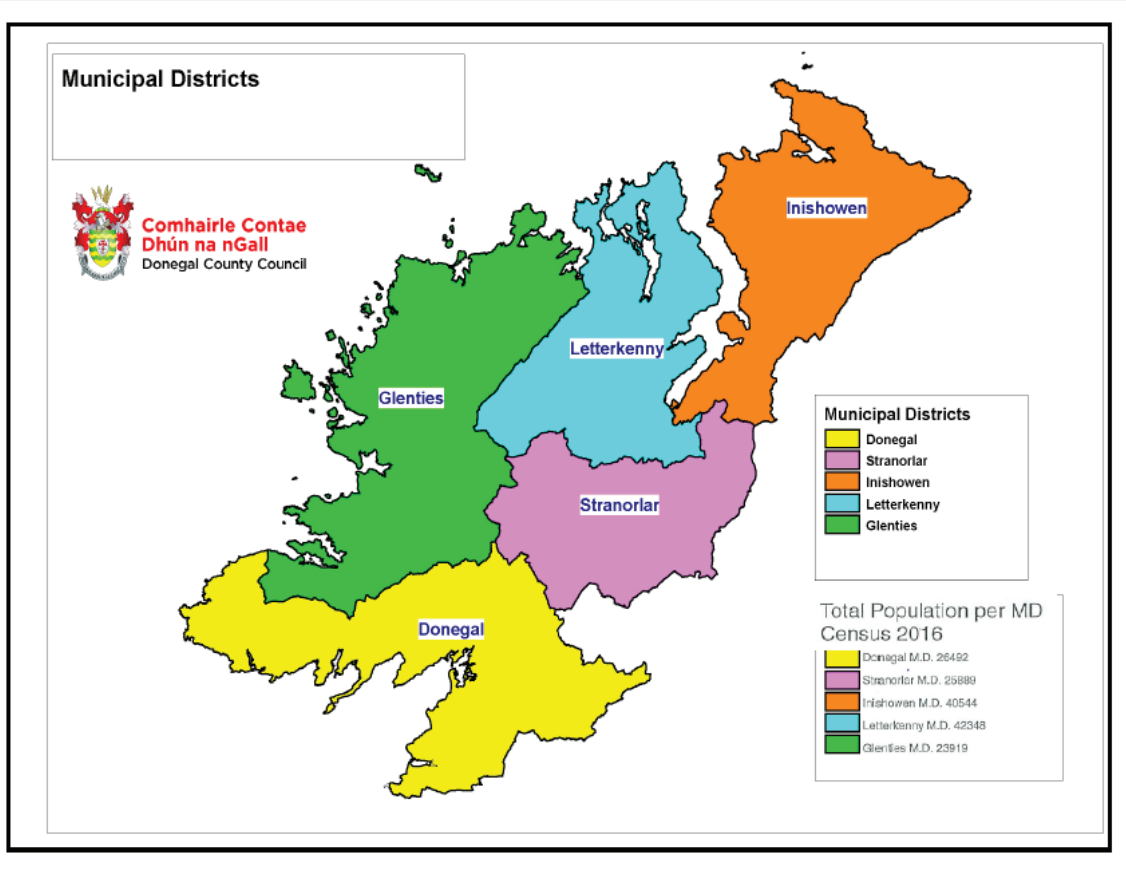
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### Head Quarters and Public Service Centres



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## Donegal County Council Structure

- 37 Elected Representatives representing 5 Municipal Districts

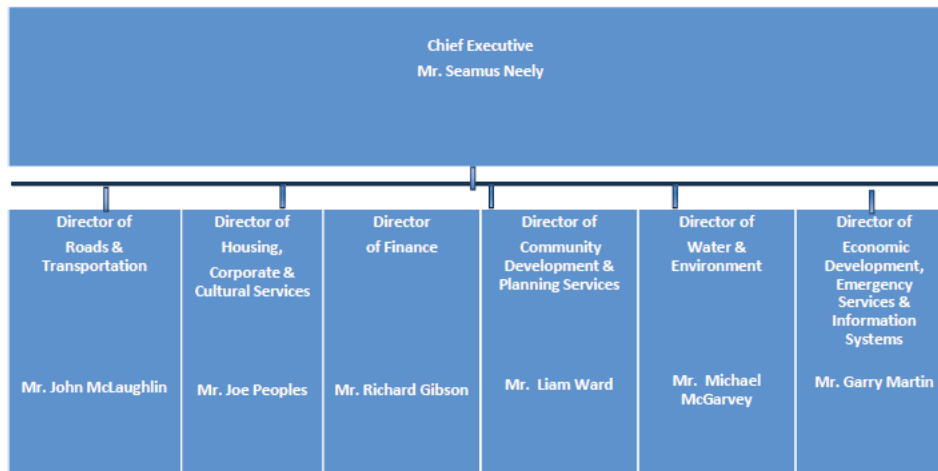
Municipal District	No. of Elected Representatives
Letterkenny	10
Stranorlar	6
Glenties	6
Donegal	6
Inishowen	9

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## Donegal County Council Funding 2018 / 2019

Sources of Income	Budget 2018	Budget 2019
Commercial Rates & PEL	€34,195,404	€35,080,806
Irish Water	€15,627,608	€16,192,117
Local Government Fund / Local Property Tax	€25,119,850	€25,119,850
Grants	€40,684,130	€35,795,264
Housing Rents (Inc Shared Ownership Rent)	€12,222,663	€12,743,716
Superannuation & Pension Levy	€2,000,000	€2,000,000
Fees & Charges	€2,085,240	€2,086,328
Property Rental / Leasing of Land	€784,610	€874,742
Other	€11,564,507	€10,838,478
Targeting of Exceptional NPPR Income	€1,000,000	€1,400,000
Utilisation of Internal Capital Receipts	€750,000	€750,000
Availability of Certain Other Reserves	€2,761,542	€3,098,502
<b>Total</b>	<b>€148,795,554</b>	<b>€145,979,803</b>

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## Donegal County Council Expenditure 2018 / 2019

Expenditure	Budget 2018	Budget 2019
Payroll & Staff Costs	€54,462,214	€57,294,767
Pensions & Gratuities	€9,419,911	€9,159,636
Insurance, Loan & Financial Charges	€10,171,656	€10,082,488
Materials & Equipment	€6,855,233	€7,956,627
Contracts	€30,991,171	€21,950,135
Refunds & Provision for Bad Debt	€6,832,564	€7,084,080
Rent & Rates	€1,245,763	€1,145,853
Grants & Contributions	€5,252,236	€5,470,629
RAS, Long Term Leasing and HAP	€4,241,513	€3,984,646
Energy	€2,766,867	€2,745,465
Communications, Postage & Advertising	€1,304,335	€1,342,273
Other	€15,252,091	€17,763,204
<b>Total</b>	<b>€148,795,554</b>	<b>€145,979,803</b>

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## Revenue Account Performance 2014 to 2018

Year	Expenditure €	Income €	Surplus €
2014	143,067,526	143,853,070	785,544
2015	133,215,960	133,836,895	620,934
2016	142,010,769	146,639,283	*4,628,515
2017	146,115,096	146,879,132	764,035
2018	162,126,768	162,693,289	566,521
<b>Totals</b>	<b>726,536,119</b>	<b>733,901,669</b>	<b>7,365,549</b>

\*2016 figures include the absorption of the Specific Revenue Reserve. The outcome for financial year 2016 was a surplus of €1,253,836. 2014 figures include expenditure and income for the former Town Councils.

The table above summarises Revenue Income and Expenditure (including transfers) for the five-year period 2014 to 2018.

Donegal County Council Revenue expenditure (including transfers) amounted to over €726.5m during the five-year period 2014 to 2018. During that time, the Accumulated Revenue Deficit was reduced by almost €7.4m, from €15.8m at the beginning of 2014 to €8.4m at the end of 2018.

## Revenue Account Summary 2014 to 2018

*Opening Revenue a/c Deficit @ 01/01/2014	(€15,752,132)
Closing Revenue a/c Deficit @ 31/12/2018	(€8,386,583)
<b>Improvement on Revenue a/c 2014 to 2018</b>	<b>€7,365,549</b>

\*The Opening Revenue a/c Deficit @ 01/01/2014 reflects the consolidated opening balances of the County Council and the former Town Councils.

## Capital Expenditure 2014 to 2018

Programme Group	2014 €	2015 €	2016 €	2017 €	2018 €	Totals €
Housing & Building	4,957,572	6,765,167	13,448,988	15,188,742	22,635,385	62,995,853
Road Transportation & Safety	9,900,288	17,244,148	27,809,784	19,684,065	45,536,378	120,174,663
Water Supply and Sewerage	2,310,558	1,089,361	484,177	418,990	267,250	4,570,336
Development Incentives & Control	468,706	676,591	7,868,190	909,586	2,966,018	12,889,091
Environmental Protection	415,791	(156,866)	852,714	1,308,492	1,845,966	4,266,097
Recreation & Amenity	5,917,473	6,849,481	3,322,180	4,819,171	7,358,488	28,266,793
Agriculture, Education, Health & Safety	1,180,916	762,117	1,064,250	565,612	577,593	4,150,488
Miscellaneous Services	2,135,468	1,831,314	1,547,540	1,111,989	1,801,113	8,427,424
<b>Totals</b>	<b>27,286,771</b>	<b>35,061,313</b>	<b>56,397,824</b>	<b>44,006,647</b>	<b>82,988,191</b>	<b>245,740,745</b>

Figures stated include Transfers to the Revenue Account. Standard rounding rules apply.

The above table summarises Capital Expenditure (including transfers) for the five-year period 2014 to 2018.



## Loans Payable

Loan Type	Balance @ 31/12/2018 €	Balance @ 31/12/2013 €	Improvement 2014 – 2018 €
Mortgage Loans	15,961,564	23,295,591	7,334,027
<b>Non-Mortgage Loans</b>			
Assets/Grants	50,931,754	106,657,850	55,726,096
Bridging Finance (Recoupable)	1,903,831	2,453,188	549,357
Other Recoupable (Inc Irish Water and Voluntary Housing)	42,670,301	49,773,207	7,102,906
<b>Totals</b>	<b>111,467,449</b>	<b>182,179,836</b>	<b>70,712,387</b>

In total, the value of the principal repayable on loans reduced by over €70.7m over the period 2014 to 2018. €28.9m of this reduction relates to loans redeemed on the Council's loan book on foot of the transfer of functions to Irish Water.

## Major Collection Account Performance 2014 to 2018

Major Revenue Collections %	2014	2015	2016	2017	2018
Commercial Rates	56%	63%	68%	74%	76%
Housing Rents	89%	90%	89%	89%	89%
Housing Loans	63%	63%	66%	68%	68%

Figures for the period 2015 – 2018 take into account 'Specific Doubtful Arrears'

The above table summarises the collection performance on major collection accounts for the period 2014 to 2018.

Collection performance on Commercial Rates has improved significantly over the period 2014 to 2018, with the percentage collected rising from 56% in 2014 to 76% in 2018.

## Commercial Rates Arrears and Cash Collected 2014 to 2018

Commercial Rates 2014 - 2018	2014 €	2015 €	2016 €	2017 €	2018 €
Cash Collected	22,608,627	24,692,578	24,760,145	24,628,799	26,675,454
Arrears at Year-end	17,578,313	15,686,468	15,316,765	14,609,979	15,276,901

Commercial Rates arrears have reduced by €2.3m over the period 2014 to 2018. The annual amount of cash collected has increased by over €4m during the same period.



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### Current Spatial Planning Hierarchy

- Coordinated by Northern & Western Regional Assembly
- Covers former Regional Planning Guidelines
- North West
  - ✓ North West Region Metropolitan Plan
- Sub regional:
  - ✓ Donegal County Development Plan
- Donegal
  - ✓ 7 Strategic Town Local Area Plans
  - ✓ Letterkenny Local Area Plan

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## North West City Region

- **Cross-Border City Region** - Encompassing Letterkenny, Derry/Londonderry & Strabane - > 350,000 population at 50km radius  
400,000 population at 60 km radius
- **35% of population** <25 years
- **40,000 3rd level & PLC students** – UU; NWRC; LYIT
- **2 major acute regional hospitals**
- **Sub-Regional Economic Driver** –North and South

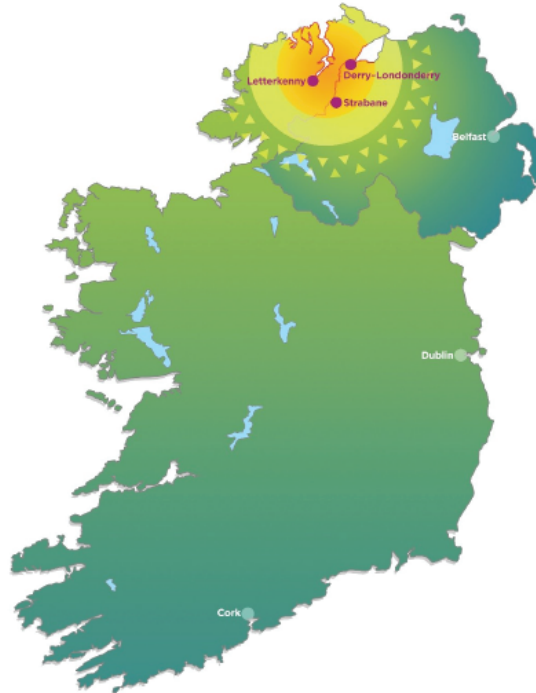
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## North West City Region & the NPF

### National Policy Objective 45

*"In co-operation with relevant Departments in Northern Ireland, support and promote the development of the North West City Region as interlinked areas of strategic importance in the North-West of Ireland, through collaborative structures and a joined-up approach to spatial planning."*

*Page 165 of NPF*



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## North West Vision and Approach

***A thriving, sustainable, prosperous City  
Region with equality of opportunity for all.***

- Clear, strategic, place-based leadership
- Shared objectives and partnership working
- Results and outcomes focused
- Collaborative, inclusive and integrated approach



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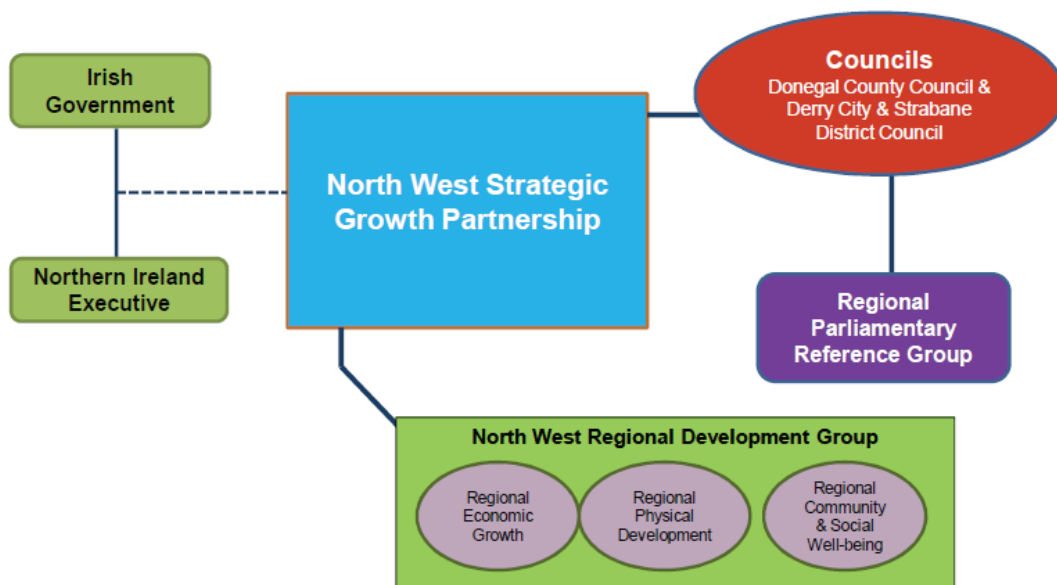
## North West Objectives

- **A new and integrated approach**
- **One Voice** for the North West City Region
- **Agreed regional objectives:**
  - Economic growth and investment
  - Physical and environmental development
  - Social and community cohesion and wellbeing

*Realise the full and considerable potential of the  
North West City Region – the 4<sup>th</sup> largest on the Island –  
as a positive contributor to the economy, North and South.*

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## Governance Arrangements





## County Donegal Development Plan 2018- 2024

### The VISION of the Plan

By **2038**, County Donegal will be a **connected place** with a **strong, competitive** and **innovative economy** that is **attracting** and **sustaining** a population of upwards of **200,000 people**, offering a **quality of life ranked highest in the country** and asserting a **key role** in the context of the **North West City Region** and within the area of the Northern and Western Regional Assembly.



**200,000** people by 2038

#### LOCATION

Ireland Northwest has proximity to 2 international airports, 4 regional airports, 2 deep sea ports and a primary road network.



Source: Gateway To Growth Brochure, DCSDC and DCC, 2016



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Thank you.







**National Oversight and Audit Commission (NOAC)**  
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