Local Government Reform

No.8 2012

Editorial

On 16 October 2012 the Government published an Action Programme for Effective Local Government Reform (Putting People First). The Minister referred to the Action Programme as bringing ‘the most fundamental improvements to local government’ since its establishment in 1898.1 This Spotlight considers how the Action Programme will address weaknesses in local government.

Local government reform will also be the subject of a forthcoming Spotlight (No. 9, 2012) entitled Local Government Reform and Localism in Irish Politics.


November 2012

Library & Research Service
Central Enquiry Desk: 618 4701/4702

---

1 16 October 2012.

The Spotlight examines how the Government’s Action Programme on Local Government Reform (Putting People First) (16 October 2012) will address the weaknesses in Irish local government.

The proposed reforms will affect:

**Representation**
Town Councils are abolished and Municipal District Councils across the whole territory of the state (bar Dublin) will be created. This will address weaknesses associated with the inconsistency of structures, inequality of representation and the fragmentation and duplication of functions between Town and County Council. This reform may lead to an improved level of representation, in spite of the abolition of approximately 677 council seats, if the new Municipal District Councils function as intended and if policy powers are devolved to them from the county level. However, the level of representation still compares poorly with many European countries.

**Democratic Legitimacy**
The position of City/County Manager is replaced with a Chief Executive. Measures are taken to support elected members to assert their primacy in policy using the existing legal and policy framework. Measures include new accountability mechanisms, a review of SPCs and ‘consideration’ to extending ‘reserved’ functions and to giving councillors a statutory role in ensuring the Chief Executive complies with policy. However, the reforms do not address some of the key causes of the weakness of elected-councils vis-à-vis Managers, nor do they address the weak political leadership evident in Irish local government. The possible exception to this is Dublin where it is proposed that elected councillors convene to organise a plebiscite on the question of a directly-elected mayor.

**Power and influence**
Local authorities will be locally funded through an equitable property tax and will, therefore, become less dependent on central government funding.

The range of functions for which Irish local government is responsible remains comparatively limited. The only significant devolution of power is in the area of economic and community development. The functions of City and County Enterprise Boards, soon to be phased out, are transferred to local government. There is to be greater alignment between local development and local government with local government taking on funding distribution and oversight roles.

It is possible that with more financial autonomy and a new role in economic development that the power and influence of local government over the development of the local area will increase.

There is a commitment to end the policy of establishing central government agents to deliver services at the local level. However, in exceptional circumstances, separate structures will be established. If these structures are established at a national level, questions remain as to how local government can hold such agencies to account in the absence of strong regional local government.

**Introduction**
This Spotlight describes the weaknesses in Irish local government and considers how the Government’s Action Programme for Effective Local Government Reform will address these weaknesses.

**What is strong local government?**
A number of variables are used to compare the strengths of local government systems.
Local government may be considered strong in terms of democratic legitimacy and in the performance of its representative role. Strength, in this instance, tends to depend on:

1. The size and structure of local authority units
2. The institutions within local government and the balance of power between the administrative and elected parts of local government

Local government also may be strong in terms of the powers and influence it has over policy, service delivery and public spending in its local area. This tends to be determined by:

3. The range of functions for which local government has responsibility
4. The relationship between central and local government
5. Financial autonomy of local government.

A local government system may be strong in terms of power and influence yet weak in terms of its representative function. This is the case in the systems of local government in many Central and Eastern Europe countries.

On the other hand, local government may be dominated by locally-elected councillors and their mayor, rather than by administrators, but the policy remit and powers delegated to local government from the centre may be few. This is the case in Italy.

In the Nordic countries, local government is considered to be strong in terms of its financial autonomy and its extensive ranges of functions, yet it functions within tight parameters which are defined by the central governments or parliaments.

**Strength of Irish local government and efforts to reform it**

Irish local government is considered to be weak on all variables in spite of reforms implemented in the 1990s. Irish local government is characterised by unequal representation and inconsistent structures that reduce its democratic legitimacy. Further, it is dominated by central government, has few financial resources, a limited range of functions, and elected councillors dominated by the non-elected manager.

There have been a number of initiatives to reform local government since the 1980s (Box 1).

**Box 1 Local Government reform reports (click title for access to report)**

4. Local Government Act 2001

Both the Barrington Report (1991) and the Report of the Devolution Commission (1997) recommended an extensive devolution of functions to local government. However, reform of

---

local government to date has been based on the premise that devolution should only take place after other weaknesses have been addressed.

Two general goals can be discerned from the reform efforts of the 1990s:

- to enhance the democratic legitimacy and accountability of local government, while also
- improving the efficiency and effectiveness of service delivery.

_Better Local Government_ (1996) led to Constitutional recognition of local government in 1999 and reformed internal structures of local government to enhance the policy role of elected members. The _Local Government Act, 2001_ enhanced the policy-making of councillors and extended the remit of local government to include any matter of ‘local interest.’

_Better Local Government_ introduced strategic planning and corporate plans to local government. It aimed to increase financial autonomy by replacing central government support grants with a new revenue stream.

The negative effects of a centralised state on local government and its structures persisted and were the focus of a _Green Paper on Local Government Reform_ (2008) published by the 2007-2011 coalition Government. It sought to:

- Strike the right balance of power between the executive and the elected council and, in this context, it proposed directly-elected mayors;
- Secure proper representation for towns with massively increased populations and no elected council at sub-county level; and
- Improve customer service.

A Bill to legislate for directly-elected mayors in Dublin was published in 2010. An anticipated White Paper was never published.

In the meantime, the _Local Government Efficiency Review Group_ (LGERG) was established. It made 106 recommendations in its final report (July 2010) about how to reduce costs, achieve optimal efficiency and enhance value for money in service delivery at the local level. In April 2011, the Government committed to implement its recommendations.

The LGERG’s recommendations were underlined by guiding principles (Box 2) which heavily influence current Government policy.

**Box 2. LGERG Guiding principles**

*First principle:* as a key role of local government is to provide public services, it should be measured by performance and rewarded for managing above the norm.

*Second principle:* what is done best at county level should be done there, and what is done best at town level, be done there. On the basis of this principle, LGERG recommended that ‘cooperation between particular local authorities’ be developed ‘on a jointly-administered basis’ to secure the rational and effective delivery of services. It also underpinned the recommendation that certain local authority areas be amalgamated.

*Third principle:* local authorities, whether or not they are running all publicly-funded activities in their areas, should have a lead role in overseeing or providing them.

---

7 Local Government, (Mayor and Regional Authority for Dublin) Bill (2010).
9 A Group was established to oversee the implementation of the recommendations. [http://www.environ.ie/en/LocalGovernment/LocalGovernmentEfficiencyReviewGroup/News/MainBody,26083,en.htm](http://www.environ.ie/en/LocalGovernment/LocalGovernmentEfficiencyReviewGroup/News/MainBody,26083,en.htm). It reported to the Minister in March 2012 and is due to report before the end of 2012.
Four policy intents can be discerned from the Programme for Government’s section on local government reform:

- To re-balance power within local government in favour of elected representatives
- To devolve certain powers from central government to local government
- To create greater efficiencies and to save costs
- To enhance ways for citizens to participate i.e. to devolve power to citizens.

Putting People First, Action Programme for Effective local government (2012) *(the Action Programme)* aims to make ‘local government the main vehicle of governance and public service at local level’ by:

- leading economic, social and community development
- delivering efficient and good-value services, and
- representing citizens and local communities effectively and accountably.*

It outlines a range of possible reforms to local government, before presenting an action programme of the reforms which the Government will implement. The actions are in four themes:

- Reform to structures
- Reforms to funding accountability and governance arrangements
- Local government involvement in economic development and job creation and
- Reforms to ensure efficiency in service delivery.

We consider the *Action Programme* in detail and how it may be expected to address the existing weaknesses in:

(a) Representation and democratic legitimacy and
(b) The power and influence of Irish local government.

**Representation and Democratic legitimacy**

The strength of local government in terms of representation and democratic legitimacy is affected by:

1. The size, structure and level of representation
2. Balance of power between administration and elected members which affects leadership at the local level.

**Size, structure and level of representation**

**Existing weaknesses**

Size is usually defined as the average number of inhabitants per local authority unit. The ratio of councillor to population is also used. Size is a good indicator of citizens’ access to representation and the responsiveness of local government to the population. As per Table 1, Ireland has large population sizes per unit of local government when the primary unit – the County/City council – is considered.*

---


*Callahan, Quinlivan and Murphy, (2011) *Investigating assumptions concerning Local Government Reform and Amalgamation, Irish Political Studies Conference (October 2011).*
Table 1 Size of Local Government

<table>
<thead>
<tr>
<th>Country</th>
<th>Average population of local authorities</th>
<th>Average ratio of councillor per head of population</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>1,600</td>
<td>120</td>
</tr>
<tr>
<td>Germany</td>
<td>5,629</td>
<td>420</td>
</tr>
<tr>
<td>Spain</td>
<td>4,900</td>
<td>620</td>
</tr>
<tr>
<td>Italy</td>
<td>7,200</td>
<td>600</td>
</tr>
<tr>
<td>Belgium</td>
<td>18,000</td>
<td>800</td>
</tr>
<tr>
<td>Netherlands</td>
<td>36,000</td>
<td>1,700</td>
</tr>
<tr>
<td>Ireland</td>
<td>123,624</td>
<td>5,196</td>
</tr>
<tr>
<td>Finland</td>
<td>11,500</td>
<td>410</td>
</tr>
<tr>
<td>Denmark (pre reforms)</td>
<td>20,297</td>
<td>1,200</td>
</tr>
<tr>
<td>Denmark (since 2007)</td>
<td>51,000</td>
<td>1,200</td>
</tr>
</tbody>
</table>

Size alone does not determine the strength of local government’s representative function. Structure is equally important.

In fact, while Irish local government is one of the weakest in terms of size in Europe, critics have tended to focus more heavily on its structure. Weaknesses in structure include:

- Inconsistency in structures.
- Inequality of representation with most areas having no sub-county unit of representation and others having high levels of representation: 80 towns, which together contain 14% of the country’s population, account for 46% of all councillors.

- Outdated boundaries, including different electoral and administrative boundaries resulting in some large towns having no council. E.g. Swords, Celbridge, Carrigaline.

- Fragmentation and duplication of functions between Town and County Councils.

Box 3: Structure of Local Government

**County level:** there are 29 County Councils and 5 City Councils, all of which have rating powers and legal responsibility within their own areas.

**Sub-county level:** the vast majority of territory (86%) has no sub-county tier of local government.

Many towns, however, have a sub-county unit. There are 80 sub-county units: 75 Town Councils and 5 Borough Councils, which have varying degrees of power. Rating Town Councils include the 5 borough councils and 49 of the 75 Town councils. Rating Councils have exclusive rating jurisdiction within their own areas and legal responsibility for planning, housing, local roads, amenities and other miscellaneous functions. While it varies from Council to Council, County Councils generally carry out most of these functions of Town Councils in practice.

Non-rating Town Councils include the 26 remaining Town Councils. The elected council largely performs a representational role and has a limited range of functions and low level of expenditure and staffing.

The status of Towns is largely a historical fact and the size of towns does not determine the status of existence of a Town Council.

---

14 Size and structure are also considered to have significant effects on the efficiency of local governments in carrying out their functions although there is no consensus on the optimal size. A discussion of these effects is outside of the scope of this Spotlight.
17 LGERG, (2010), 51.
Regional Level: Administrative only

8 Regional Authorities and 2 Regional Assemblies covering the whole state.

Both composed of local councillors nominated from County and City Councils. Depend on local authorities and central government (for certain functions) for funding. Functions are related to monitoring the expenditure of EU funds, to promoting coordination of public services and spatial planning at regional level.

Action Programme’s proposals on size and structure

The Action Programme (2012) is based on the argument that the introduction of more rational, cohesive and modern structures is a prerequisite for other reforms, in particular for the devolution of decision making to the local level. It proposes the following fundamental reforms:

- **Town Councils abolished and Municipal Districts created.**
  The new municipal district councils (MDCs) will be generally based around principal towns and will cover the full territory of each local authority area (with the exception of Dublin). This introduces a sub-county structure for all parts of the country for the first time since the abolition of sub-county rural councils in the 1920s.

- **County Councils devolve to MDCs**
  There will be no overlap in functions of County Councils and MDCs as the former will devolve to the latter.

- **Councillors have jurisdiction at the county and district levels.**

Councillors will be simultaneously elected to the Municipal Districts and County Council. Within each county/city council there will be a certain number of representatives from each municipal district. It is this dual-level jurisdiction which enables:

- A reduction in the number of councillors from 1,627 to no more than 950.

- Independent statutory Committee to draw Municipal Council Areas by early 2013
  The Committee will aim to reduce representational disparity. It will base its work on criteria set out in the Action Programme and these include:

  - There will be approximately 90 municipal districts representing an overall ratio of councillor-population of 1:4,830.
  - Each county will typically have 3-4 districts.
  - Each municipal district will constitute a single electoral area with a membership of from 6-10 save for exceptional circumstances.
  - The district should incorporate the relevant hinterland of each town subject to the constraints of county boundaries.
  - Account will be taken of the fact that towns will no longer have separate representation i.e. there will be a degree of weighting in former town-council districts.
  - At county-council level, there will be a minimum of 18 seats per city/council and a maximum of 40 outside of Cork County and Dublin City.

---

21 Department of the Environment (2012), 46
22 Department of the Environment (2012) 54.
23 Where there are exceptional circumstances, there is an absolute minimum of 5.
24 A certain minimum level of membership is considered necessary for effective council operation, geographic representation and municipal districts having adequate minimum membership and, as such, there will be a higher member to population ratio in smaller counties.
- **No MDCs in Dublin**
  The *Action Programme* does not propose to create a lower tier of local government in Dublin. This appears to be best explained by the cost implications. Instead, it proposes to make provision to enable councillors from each electoral area to perform reserved functions like those performed by councillors in municipal districts in the other counties.\(^{25}\)

- **Fewer units at county level**
  At the county-level, the *Action Programme* confirms that the number of councils is reduced from 34 to 31 as a result of the amalgamation of councils in Limerick, Tipperary and Waterford. These amalgamations were already government policy and were recommended by the LGERG (2010). The *Action Programme* indicates that it will not adopt ‘joint management’ arrangements like those proposed in the LGERG and found in the UK i.e. dual-county management on a permanent basis. On the other hand, the document does not rule out the future amalgamation of other local authorities.

  While not explicitly included in its recommendations, the LGERG (2010, 63) suggested a number of councils which would be suitable for joint administration.\(^{26}\)

- **Regional level**
  At a regional level, the *Action Programme* will abolish the eight Regional Authorities and replace them with three large regional assemblies with a total membership of 62. Two councillors from each member local authority will be elected by each council to serve on the Regional Assembly.

---

**Will these actions address weaknesses in the structure, size and level of representation of local government?**

Firstly, the actions will end the inconsistency of structures, inequality of representation and the fragmentation and duplication of functions between Town and County Councils.

The creation of Municipal Districts in Dublin is understood to have been one of the proposals in the unpublished White Paper in 2010.\(^{27}\) This approach — whereby all areas are covered by the lowest tier is consistent with local government in most of Europe.

Secondly, the reforms result in a significant reduction in the level of representation for the 80 areas with Town Councils. As noted above, currently 46% (744) of all 1,627 councillors represent 80 towns which contain 14% of the population\(^{28}\) and in Town Council areas, there is on average one councillor to every 865 people. This would change to one councillor for every 4,830.

On the other hand, the reforms introduce more equality in representation and, for the first time, a lower tier of representation to all areas except for the four Dublin council areas. (27.7% of the population live in the four Dublin council areas).

Any conclusion on the overall effect of the reforms on the level and, indeed, quality of representation depends very much on how the Municipal District Councils function and on the extent of their autonomy and powers. The *Action Programme* states that ‘the municipal district will be the first level

---


\(^{26}\) Mayo-Roscommon; Sligo-Leitrim; Cavan-Monaghan; Longford-Westmeath; Carlow-Kilkenny; Laois-Offaly; Galway City and County.

\(^{27}\) Ryan Eamon (Former Minister) (2011) .

Fianna Fáil had reportedly proposed that some town councils be expanded to include rural areas in their environs and others be abolished and replaced with municipal councils. See Dillon and O’Muineacháin (2010) .

\(^{28}\) Department of the Environment (2012) p. 49.
of governance and democratic representation in the state.29 It proposes that a number of policy areas will be devolved to it from the county council and these may include a local policy/regulatory role in the areas of planning, roads, traffic, housing, environmental services, recreation, amenity, community matters, civic functions, citizen and community engagement and representational and oversight functions. It also proposes that elected members will perform a substantial range of reserved functions at Municipal District level.

Table 2 compares the level of representation today to that proposed in the reforms. If we take the proposed MDCs as the unit, the overall effect is an improvement in the level of representation in spite of the abolition of approximately 677 council seats. However, it is not yet clear whether or not this will be the most appropriate unit of local government for international comparisons.

Table 2: Representation before and after proposed reforms

<table>
<thead>
<tr>
<th></th>
<th>Number of councils</th>
<th>Average pop. of councils</th>
<th>Average pop per councillor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ireland (at present)</td>
<td>City and County Councils</td>
<td>34</td>
<td>127,500</td>
</tr>
<tr>
<td>Ireland (County level after Action Programme)</td>
<td>31 Councils</td>
<td>139,800</td>
<td>1:4,829</td>
</tr>
<tr>
<td>Ireland excluding Dublin (proposed MDCs)</td>
<td>Approx. 90 district councils (outside of Dublin area)30</td>
<td>36,835</td>
<td>1:4,212</td>
</tr>
<tr>
<td>Ireland (Town Councils)*</td>
<td>8031</td>
<td>8,045</td>
<td>1:865</td>
</tr>
</tbody>
</table>

*This ratio is only for the 14% of the population who live in areas with Town Councils.

Yet even when the new municipal districts are taken as the unit of local government, the level of representation compares poorly to other countries. Table 3 displays the average population per local authority unit in a number of OECD countries.

While Ireland would appear to compare favourably with Denmark, greater numbers of councillors means that the ratio of population to councillor is 1,200 in Denmark compared with 1 to 4,212 at best in Ireland. Further, the 98 Danish municipal councils are powerful in terms of functions and financial autonomy32 and are currently

---

30 This is calculated by subtracting the total populations (census 2011) in the four Dublin councils from the total population which leaves a population of 3,315,183.
31 The total population of areas covered by Town Councils is 643,674. The average population is calculated using this figure.
more appropriately compared with the Irish county level.

Table 3: Average population per local authority unit*

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of local authorities</th>
<th>Average population of local authorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>36,783</td>
<td>1,500</td>
</tr>
<tr>
<td>Switzerland</td>
<td>2,758</td>
<td>2,500</td>
</tr>
<tr>
<td>Austria</td>
<td>2,357</td>
<td>3,500</td>
</tr>
<tr>
<td>Germany</td>
<td>12,340</td>
<td>6,500</td>
</tr>
<tr>
<td>Ireland (at present)</td>
<td>34</td>
<td>127,500</td>
</tr>
<tr>
<td>Ireland (county level after Action Plan)</td>
<td>31 Councils</td>
<td>139,800</td>
</tr>
<tr>
<td>Ireland (District level Action Plan)</td>
<td>Approx. 90 district councils (outside of Dublin area)**</td>
<td>36,835</td>
</tr>
<tr>
<td>Canada</td>
<td>3,752</td>
<td>9,000</td>
</tr>
<tr>
<td>Finland***</td>
<td>336</td>
<td>15,500</td>
</tr>
<tr>
<td>Poland</td>
<td>2,793</td>
<td>13,500</td>
</tr>
<tr>
<td>Belgium</td>
<td>589</td>
<td>18,000</td>
</tr>
<tr>
<td>Denmark****</td>
<td>98</td>
<td>55,000</td>
</tr>
<tr>
<td>Sweden</td>
<td>290</td>
<td>31,500</td>
</tr>
<tr>
<td>Portugal</td>
<td>308</td>
<td>34,500</td>
</tr>
<tr>
<td>Netherlands</td>
<td>441</td>
<td>37,000</td>
</tr>
<tr>
<td>New Zealand</td>
<td>85</td>
<td>49,500</td>
</tr>
<tr>
<td>Northern Ireland (existing 26 councils)</td>
<td>26</td>
<td>65,500</td>
</tr>
<tr>
<td>Northern Ireland (proposed 11 councils)</td>
<td>11</td>
<td>154,500</td>
</tr>
<tr>
<td>UK</td>
<td>415</td>
<td>143,000</td>
</tr>
</tbody>
</table>

*There are substantial within-country variations of the population in each district council area. For example, in Finland, the largest is Helsinki with a population of 583,350 and the smallest is Sottunga with 125 people. Where council sizes are small, cooperation between councils for the delivery of services and shared administration between councils is normal.

** The total population of areas covered by Town Councils is 643,674. The average population per council and councillor is calculated using this figure.

*** Finland: no. of municipal councils has decreased by 200 over the last 12 years. Mergers and changes in population will result in a decrease in the number of councillors over the next few years from 2012. For information on this reform process: [http://www.localfinland.fi/en/authorities/newmunicipality2017/Pages/default.aspx](http://www.localfinland.fi/en/authorities/newmunicipality2017/Pages/default.aspx)

**** Denmark: extensive reform of local government in 2006 resulted in a decrease from 271 municipalities into 98 larger municipalities and 14 counties were consolidated into 5 new regions.

### Balance of power within local government

#### Existing weaknesses

The balance of power between the administration and the elected members of local authorities affects the democratic legitimacy of the system. The institutions of local government set the context for this relationship and have a large bearing on who takes the key leadership role in local government. 34

Local government systems in Europe tend to conform to one of three models: mayor-council; government by committee; council-manager. 35

Irish local government uses the Council-Manager model (Box 4).

#### Box 4: Institutional models of local government

1. Mayor-council

A popularly-elected mayor wielding strong executive authority decides on public policy issues and is held to account by an elected council. The policy-making and administrative functions of local government are not as sharply distinguished under this arrangement as in other models.

2. Government by Committee

This traditionally describes the UK and Scandinavian systems of local government (Wollmann, 2010, 8). A mayor is elected by council members as a Chair, with the council possessing stronger weight vis-a-vis the executive, and councillors often administering the bureaucracy (Lankina, 2008).

35 Lakina, 2008,’Cross-cutting literature review on the drivers of local council accountability and performance Local Government and Accountability Series Paper 112, Department of Public Policy, De Montfort University.
3. **Council-Manager**

Executive and policy functions are more clearly separated in this model. The council appoints on a contract basis a politically-neutral administrator to run and manage the city. While the manager is accountable to the council, he or she is expected to be free to administer local affairs without interference and to have freedom in recruitment of staff (Lankina, 2008, 25-6).

**Council-Manager Model in Ireland**

The theory behind the council-manager institutional set up is that voters elect councillors as a board of directors who set policy and appoint a City or County Manager who has day-to-day responsibility for running a city/council area. In reality, the manager is the major initiator of policy and political leadership is weak. While the managerial system is considered to have made a positive contribution to Irish local government, it is criticised for lacking democratic legitimacy. A number of reasons have been identified for the relative weakness of elected councillors vis-à-vis the manager:

- Functions legally reserved for elected councillors (‘reserved functions’) are not extensive and, where an item is not listed as a reserve function, it is by default a function of the Manager.

- The system diverges from the model in important ways: the Manager is recruited by the Public Service Appointment Board and not by the council. He/she is only appointed as a formality by a formal resolution of the Council. In the US, where the Council-Manager system is widely used, the Manager is recruited by the elected council. In the UK’s Mayor-Council set up, the Chief Executive of the Council is appointed following interview by a small group of council members assisted by external consultants.

- Again diverging from the model, in Ireland the Manager is accountable to the Minister for the Environment and not to the councillors (except in limited circumstances outlined in Box 5). His/her functions derive from statutory provisions and not from delegation by the council.

- Councillors are part-time, the County Manager is full-time.

- Mayor/Cathaorleach is only elected by councillors for a year and the Heads of Strategic Policy Committees are either elected for three or for one year. Manager is appointed for seven years (with possible extension to ten years). This contrasts, for example, to Denmark, where the Mayor is elected by the Council for a four-year term; the mayor heads the executive and the council acts like a legislature.

- The Manager’s perceived monopoly over information and its timing or release is considered to present obstacles to councillors.

---


41 The Local Government Act, 2001 sets out that Heads of SPCs are elected every 3 years. However, many councils do not observe this and instead elect them every year. See Green Paper, (2008).
Box 5: Mechanisms for elected members to hold Manager to account

1. Through the operation reserved functions.\textsuperscript{42}
2. Section 140 (described below).
3. Section 146 Local Government Act 2001 provides that a $\frac{3}{4}$ majority of the city or county council can suspend a Manager. Following this, he/she may only be removed with the consent of the Minister.
4. Local Government Act 2001 empowers councillors with other supervisory tools. E.g. that a Manager attend any meeting of the council or of its committees; that a Manager submit plans, specifications and cost estimates of particular works; that the Manager submit statements of the financial position of the authority; that Managers make all ‘orders’ available for inspection to members.

Action Programme’s proposals on balance of power within local government?

- **Chief Executive to replace Local Authority Manager**
  The Action Programme replaces the position of local authority Manager with the post of Chief Executive. The terms and conditions of the position will be outlined in legislation.

- **No change to legal framework**
  The Action Programme argues that the existing policy and legal framework gives councillors primacy in the setting of policy.\textsuperscript{43} It does not therefore propose any further specific reforms to redress the balance of power between the Manager and the elected council. Instead, it focuses on supporting councillors to perform this role through a number of actions including:

  - **A review SPCs**
    Strategic Policy Committees and Corporate Policy Groups (Box 6) were intended as structures to facilitate councillors to use the policy-setting power they possess under Section 130 of the Local Government Act, 2001. A review of the structure, role and operational mechanisms of local authority Strategic Policy Committees is proposed.

Box 6: Institutions of Local Councils

**Cathaoirleach** (Mayor in Dublin and Cork Cities): elected each year by the members of the elected council. She/he presides at meetings, may exercise a casting vote and performs a ceremonial representative role on behalf of the authority.

**Strategic Policy Committees (SPC)**
SPCs are established in key policy areas and are composed of councillors (2/3) and representatives of sectoral interests (1/3). Each SPC corresponds to a Director of Services on the administrative side of the council and this Director attends meetings and provides information as requested.

**Corporate Policy Group (CPG)**
Composed of Chairs of SPCs and the Cathaoirleach, it acts like a mini-cabinet. The Manager must consult the CPG when preparing the budget.

\textsuperscript{42} ‘Reserved’ functions are set out in the 2001 Act. They mostly relate to setting the policy parameters for the council including the annual budget, development plan, library development programme and some bye-law. For a full list see the Action Programme, 2012, Appendix 6. ‘Executive’ functions are the preserve of management and include all matters relating to the management and organisation of local authority staff and their delivery of services. If a function is not included in ‘reserved’ functions, it is presumed to be an ‘executive’ function. Sheehy in Callahan and Keogan (2003) . p. 137.

\textsuperscript{43} The document states that Section 130 of the Local Government Act provides that the elected council determine the policy of the local authority and that this primacy in the setting of policy is expressed in the ‘reserved functions’ of elected members.
• Emphasise role of councillors in devolution of further powers
The role of councillors is to be central to any future devolution of powers.

• Possibility of extension of ‘reserve’ functions
The Action Programme proposes to ‘give full consideration’ to scope the further extension of the reserved functions of the elected members.’

At the same time, the Action Programme introduces changes to the legal boundaries within which councillors carry out their functions. These are largely designed to prevent corrupt practices by councillors in the planning and development process. They are also designed to ensure that councillors promote the general, long-term good of the local area rather than the preferences of certain groups/individuals.

• Section 140 will no longer apply in respect of planning functions
Section 140, Local Government Act, 2001 will not apply to any decision by a local authority in respect of planning or involving financial or other benefit to an individual or a specific organisation.

Box 7: Section 140 and Planning

Section 140 of the Local Government Act 2001 provides that the elected councillors may intervene in the executive affairs of the Manager by passing a special resolution (by simple majority) directing the Manager to act in a particular way. The 1991 Act stipulated that where the matter related to property, the resolution required the support of ¾ of the councillors (rather than a simple majority) (Callanan, 2003). In all cases, the resolution must dictate courses of action that are legal and it may not pertain to issues relating to staff control and staff management.

The Planning Act 2010 aims to bring an end to the practice of using Section 140 to respond to clientelist demands in the planning process by introducing more central control over development plans.

• Ethics Code
A new code of ethics for dealing with conflicts of interest in local government.

• New accountability mechanisms
Elected members will conduct their policy work in the context of new mechanisms designed to enhance the accountability of local authorities in the delivery of services. An independently-chaired National Oversight and Audit Committee for Local Government will be created, involving external evaluation and expertise, to scrutinise the performance and efficiency of councils. Also, Local Authority Audit Committees, which were created in 2007, will be put on a full regulatory footing and the Committee’s review of the local authority’s audit report will be included in its report to the council.

Will these reforms address the weaknesses of elected-members vis-à-vis Manager?
It is unclear whether the replacement of ‘Manager’ with ‘Chief Executive’ will affect the balance of power between the elected and administrative sides of the council.

The document says that the primacy of the elected council will be reinforced by various measures including the new accountability mechanisms for financial and performance oversight. Consideration will be given to creating a statutory role for members in ensuring that Chief Executives comply with policy as set down by the elected council.

The Action Programme does not address the causes of weak political leadership of the council. In fact, the structural factors which help to explain the weakness of the elected councillors will largely remain in place:

44 Department of the Environment, (2012). Chapter 5, Parag. 11
Mayors and Cathaoirlech will continue to be elected by councillors for one year only; Heads of SPCs will not be in place for five-year terms; councillors remain part-time and Chief Executives full-time.

Debate over the balance of power between political and administrative sides of the council is not unique to Ireland. Some countries, for example Germany and Italy, introduced directly-elected mayors to enhance the accountability of local government to voters. This was advocated for Ireland in the Green Paper (2008).

A directly-elected mayor has been proposed by many academics and policy-makers as a solution to weak political leadership. Research has found that directly-elected mayors tend to strengthen political leadership within the local authority and introduce a new dynamic to the traditional manager-council relationship. However, political scientists have warned that directly-elected mayors are only one element of the local government reform needed and are not a panacea to the problems of accountability.

The Action Programme discusses the merits of introducing directly-elected mayors but does not recommend this approach. However, a directly-elected mayor is not completely ruled out for the Dublin area. It proposes that the elected representatives of the four Dublin authorities together develop proposals on the shape of a directly-elected mayor position followed by a plebiscite in the Dublin area on the question of introducing a directly-elected mayor.

A review of the composition and functioning remit of SPCs, which was also suggested in the Green Paper (2008), may highlight ways to enhance the role of elected councillors. The Action Programme suggests that SPCs should perform a monitoring/oversight role in relation to the implementation of policy with Service Directors being accountable to the relevant SPC.

The Institute of Public Administration reviewed the operation of SPCs in 2004. It raised a number of issues including the important role of the Chair and the appropriate Director of Services in ensuring the effective operation of SPCs and the need for central government to create policy space for SPCs. The Green Paper (2008) suggested that Chairs be in place for the full five-year term.

Power and influence of local Government

Power and influence is affected by:

1. Range of functions for which local government is responsible,
2. The relationship between central and local government,

Here we outline the existing weaknesses on each of these measures, the proposals of the Action Programme (2012) and how we can

.................................................................

expect them to address these weaknesses.

**Existing weaknesses**

**Financial autonomy**

There are three basic sources of local government financing:

- local taxes on property, business or income;
- local service charges and
- transfers from higher levels of government.

The extent to which local government is autonomously funded, rather than funded by transfers from central government, is a good indicator of its autonomy and strength. It determines how much freedom local councils have to raise money in response to the perceived needs of the local area.\(^5^2\)

As highlighted in the *L&RS Spotlight on Local Government Finance (2010)*, Ireland is weak compared to other European countries on this variable. At one end of the spectrum is Denmark where the 98 local municipalities are the main tax-gathering agencies for the state. At the other is Ireland where the vast majority of councils have little scope for independent revenue-raising and where block grants replace rates as the main source of local revenue.\(^5^3\)

Earlier in 2012, the Minister for the Environment described the relationship between local and central government as one of dependency, lobbying and centralised control, attributing this to local government’s lack of financial independence.\(^5^4\)

**Range of functions**

Local government in Ireland has a narrow range of functions when compared with other European countries.\(^5^5\)

**Box 9: Functions of Irish local government**

- Housing and building
- Road transportation and safety
- Water supply and sewage
- Planning and economic development
- Environmental protection
- Recreation and amenities
- Agriculture, education, health and welfare
- Miscellaneous services.

Local government may also undertake actions to promote the general economic, social and cultural development of their areas and works with other agencies and interests to promote progress (Local Government Act, 2001).\(^5^6\)

Central government exercises the main competencies in areas such as health, education, social services and policing with local government playing a minor role.\(^5^7\) This is unusual when compared with other European countries, even the UK.

**Centre/local government relations**

The primary function of local councils in Ireland is to deliver services as an agent of central government. Rather than setting policy, local authorities tend to deliver services according to pre-agreed policies set at the centre.

---

\(^5^4\) ‘Local Government Reform in Context’ *Local Authority Times*, Vol 16, 1&2 2012 IPA.
\(^5^5\) This is well documented in Callaghan and Keogan (2003), Quinlivan and Weeks (2009) *All Politics is Local* Cork, The Collins Press p.11; Gallagher, Laver and Mair . (2011).
Ireland is not unique in this respect. A key feature of all European systems of local government is that real change can only take place with the approval of national authorities. Legislation, rather than constitutions, tends to determine this relationship even where the principle of subsidiarity is strong. However, Ireland is unusual in the extent of the central government’s control (Box 10).

**Box 10: Legal basis of Central Government Control**

Central government sets the parameters within which local government carries out its functions through legislation and strategic plans. In addition to this:

Legislation provides that Ministers may issue ‘directions’ to local authorities. Local authorities are obliged to comply.

Section 216 of the Local Government Act allows the Minister to suspend a democratically-elected local authority on a number of grounds: failure to adopt a budget, refusal to comply with statutory requirements or a court order or where, after the holding of a public inquiry, a local authority is found not to have duly or effectually performed its functions.

The extensive role played by agents of central government in service delivery at a local level in Ireland is also unusual. It is far more common for an agency of the central government to implement local services in Ireland than would be the case, for example, in Scandinavian countries or even in the UK. For example, the IDA, Enterprise Ireland, Fáis (Solas), the HSE, the Arts Council, Irish Sports Council, Environment Protection Agency and the National Roads Authority play significant roles at a local level. The Departments of Social Protection, of Agriculture and of Education have networks of offices at the local level.

LGERG (2010) criticised the ‘multitude of local bodies funded centrally, often by more than one Department, with little reference to the local authorities concerned.’ This has resulted in a congested institutional environment at the local level.

An example of the weakness of local government vis-à-vis the central government and its administration was the rolling out of local development structures in Ireland during the 1990s. The Urban and Rural Development Programme of the Community Support Framework 1993-4 and 1994-9 (largely EU Regional Funds) provided significant resources to local development which were not channelled through local government. Likewise, the National Development Plans were delivered through alternative institutional structures created by central government.

**What does the Action Programme propose?**

The Action Programme quite clearly states that local services administered by local authorities will be locally funded through an equitable property tax. Such a tax will, in the future, be set by individual councils. The tax will be collected by the Revenue Commissioners. The Action Programme includes an aspiration that locally-raised funds will, in the future, account for 86% of local government funding.

---

59 The Local Government Act, 2001 and many other Acts relevant to a local authority’s functions which are listed in Parts 1 and 2 of the Local Government Act.
62 O’Riordan, (2010) opticit. p. 201. There are 17 Harbour Authorities, 7 Regional Fishery Boards, 33 VECs, 35 City/County Enterprise Boards, 54 Integrated LEADER and Partnership Companies and 25 RAPID Areas.
63 Many local representatives saw these agencies as a snub to the local government system. O’Riordan, 2010, . 206-207
However, the *Action Programme* does not propose a significant devolution of power or functions to local government.

The only significant devolution of functions and power to local authorities is the strengthening of its economic and community development roles.

Local authorities will take on the local micro-enterprise support service and operate it through Local authority Local Enterprise Offices (LEOs). LEOs will take over the functions carried out by City and County Enterprise Boards and Local Authority Business Support Units. The 34 City and County Development Boards, which were established to provide a linkage between local government, the local development sector and economic development agencies, will be phased out.64

In each local authority, a new Economic Development Strategic Policy Committee (SPC) and Director of Services will be responsible for drawing up economic policies such as *Supporting Economic Recovery and Jobs – Locally*65 and Local Economic Development Plans which will be part of City/County Development Plans.

The *Action Programme* has focused on aligning local government and local community development by giving local government more responsibility in oversight, dispersal of funding and planning. A Socio-Economic Committee in each council will oversee community development programmes and produce a Local and Community Plan for the Local Authority Development Plan.

Other areas to be considered for devolution are limited. In fact, in July 2012 the Minister himself called for more support from Departments in identifying functions that would be better and more usefully deployed at local level66. The *Action Programme* identifies the operation of 40 local offices of Fáilte Ireland, and certain functions currently the responsibility of the Department of Transport, Tourism and Sport, the Irish Sports Council, the Department of the Arts, Heritage and the Gealtacht, and of Agriculture, Food and the Marine.67

The document itself describes the range of functions proposed for devolution as ‘relatively limited’.68

**Does the *Action Programme* address the weaknesses?**

The reforms suggest a determination to diversify the sources of local government finance. It is possible that with more financial autonomy, and the new role in economic development, the influence of some local authorities over developments in their local areas will increase.

However, in spite of aspiring towards greater decentralisation of power and competences to local government, the *Action Programme* does not significantly extend the range of functions carried out by local government. With the exception of the expansion of its role in economic and community development, its remit will remain broadly the same. Given the Government’s recent establishment of *Water Ireland*, it is possible to argue that the pattern of centralisation is continuing.

On the other hand, separate structures for the delivery of public services outside of local government will not be established unless clearly necessitated in exceptional circumstances.

---

64 This is outlined in detail in Department of the Environment, (2012) Chapter 3.
65 This is an action under the Government’s National Plan for Jobs.
68 Department of the Environment, (2012) p. 34.
circumstances. This suggests a commitment to avoid further congestion of the institutional environment at the local level; a shift away from the policy of bypassing local government with agents of central government at the local level.

However, national agencies for the delivery of services locally will be established where it is considered necessary for efficiency reasons. The ideal size of an area for the delivery of services differs from one service to another. It has been argued that larger units are more efficient for the delivery of water, environmental and some transport and spatial planning services. This was the Government’s rationale for establishing Water Ireland. However, this approach creates obstacles to decentralising the Irish state.

The last Government (2007 - 2011) considered the regional tier as a possible solution to this problem. Strong, directly-elected regional councils were proposed as a solution to the loss of local democratic accountability which results from the establishment of national agencies such as the National Roads Authority. A proposal to ‘establish five regional assemblies, with real powers transferred down from central government and up from councils, as centres for the strategic development of environmental services, transport and planning in their areas’ was under consideration for the White Paper in 2010.

However, the Action Programme is quite clear in selecting city/council as the main unit of local government. The size, structure and role of the regional bodies has been quite decisively reduced in spite of the assigning of a new monitoring function to the assemblies. While the merits of directly electing regional assemblies are recognised in principle, this type of reform at the regional level is ruled out mainly on the basis of cost.

**Conclusion**

This Spotlight analyses the proposed reforms to local government for their potential to address the weaknesses in local government, without reference to financial context in which these reforms are being implemented. However, it should be acknowledged that the Government’s choice of reform actions is heavily influenced by its commitment to reduce the cost of the local government system as recommended by the LGERG (2010). When launching the Action Programme, the Minister for the Environment referred to the challenge of making local government more democratic and responsive at a time of reducing budgets.

The Spotlight concludes that the reforms outlined in the Action Programme will address some of the weaknesses in local government.

Like earlier reform initiatives, the Action Programme is based on the premise that more devolution of powers and competencies to local government can only take place when other weaknesses have been addressed. The Green Paper (2008) identified the balance of power between the administrative and elected parts of the council and the inequality of representation created by the structures as immediate reform priorities. The Action Programme has

---

69 L&RS Spotlight (2010) Financing Local Government pp. 5-7. See also Callahan, Quinlivan and Murphy for this discussion (2011).


prioritised reforms to the structure of local government.

The reform of structures is fundamental and will result in a 40% decrease in the number of councillors. However, representation at the district level for the full territory of the country (with the exception of Dublin for the present) is introduced and equality of representation is strengthened. The overall effect on representation will very much depend on how the Municipal District Councils function. MDCs in former Town-council areas may be more proactive in representing their areas at the county level at first; and county councils may be more likely to devolve functions to these MDCs. Further, MDCs may become the most appropriate way to introduce some tentative experiments in participatory democracy to Irish local government. These are a commitment in the Programme for Government.

The democratic legitimacy of local government is determined by the extent to which locally-elected members, as opposed to centrally-appointed managers, control local government policy and are responsible for local government’s actions. The Action Programme aims to support elected members to use the existing legal framework to ensure that the Manager is accountable to the Council. It introduces accountability mechanisms which should equip councillors with more information on which to monitor the performance of their local authority. Local government academic and consultant, Sean O’Riordan, has argued the reforms may succeed in empowering representatives to assert their primacy in setting policy and in assess performance.\textsuperscript{72}

However, it does not directly address the weaknesses in political leadership evident in Irish local government and the relationship between Manager and the elected council remains largely unchanged.

Nor does the Action Programme set out a way to significantly strengthen the power and influence of local government. On the other hand, there is a commitment to make local government far less dependent, financially, on national government and this may be seen as a first step towards increasing its power and influence.

\textsuperscript{72} Seán O’Riordan and Associates, 17 October 2012, Monthly newsletter on Local Government.