



# Local Government – New Structures, New Challenges

## AILG Second Annual Conference

### Carrickmacross

### 12<sup>th</sup> – 13<sup>th</sup> March 2015

Paul Lemass  
DECLG Local Government Division

[Paul.lemass@environ.ie](mailto:Paul.lemass@environ.ie)





# Reform - Main themes today

- Policy Objectives
- Reorganisation of **Structures** – territorial reform: regional, county, sub-county
- New **Functions**: economic development, community/local development, enterprise support
- **Funding Structures and Financial Processes**
- Effective **Governance**: leadership, accountability, oversight
- Next Steps

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## ***Main Policy Objectives***



## Programme for Govt. (March 2011)

***“fundamental reorganisation of local governance structures to allow for devolution of much greater decision-making to local people”***



# Local Government Reform: Policy and Legislation



*Putting People First*

## Action Programme for Effective Local Government

Department of the Environment,  
Community and Local Government

October 2012



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*Number 1 of 2014*

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**Local Government Reform Act 2014**

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# Vision for Local Government

*“Local government will be the **main vehicle of governance and public service at local level - leading economic, social and community development, delivering efficient and good value services, and representing citizens and local communities effectively and accountably**”*

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## ***Structural Reform***



# Reorganisation Dividend

- Benefits not primarily cost savings
- Greater efficiency through more integrated system
- Reduction in structures frees up resources for services, etc
- Big reduction in processes – no separate corporate plans, budgets, annual reports, audits, accounts, development plans, etc



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## ***Municipal Districts***



# Municipal Districts – Decision Making

- Elected council functions at 2 levels
- Local issues decided in MD, strategic issues at county level
  - MD not separate LA but a statutory decision-making forum
- 70 reserved functions already assigned to MD
  - Schedule 3 of the 2014 LG Reform Act
  - Plenary Council can devolve more functions



# Municipal Districts - Aims

- End administrative duplication
- Operational integration, efficiency
- Remove inconsistency – some towns with municipal status others without
- Restricted/outdated boundaries removed - more equitable representation
- More localised decision making
- Better Councillor Ratios



# Municipal Districts + LEAs

- 95 municipal districts in 25 counties
- 137 LEAs nationally as in boundary report
- MD = LEA in most cases
- 2 LEAs in Drogheda, Kilkenny and Mullingar districts
- 3 LEAs in Limerick and Waterford districts
- New system effective 1 June 2014

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## ***New Functions***



# Stronger Economic Development Role

- Economic focus in LA functions generally
  - Local economic and community plan – LECP
  - Local enterprise offices
  - Economic aspects of community programmes
- Action Plan for Jobs & Labour Market Activation
- Regional and inter-agency context for Economic Development
- Regional Economic and Spatial Strategies



# Alignment of Community Development with Local Government

- joined-up approach to service delivery at locally
- greater efficiency and effectiveness in publicly funded programmes
- better services for citizens and communities
- Local Govt. will have more central role in oversight and planning of local and community development programmes.



# Local Community Development Committee (LCDC)

- LCDCs established in all LA areas - 33 in total
- Aim to bring coherent approach to public-funded local/community development in their areas
- Members from public & private sector
  - balance weighted in favour of private sector
- Chief Officer to assist each LCDC, to provide guidance and strategic direction.



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***Financial Structures & Processes***



# Commercial Rates & Vacant Property Refund

- LG Reform Act 2014 provides option to vary level of rate refund
- Incentivise property owners to let vacant properties
- Limited use to date



# Local Variation of Local Property Tax

- Power to vary rates by +/- 15%
- Keep 100% of any increase
- 14 Local Authorities reduced by 1.5%-15%
- 17 Local Authorities kept unchanged
- 30<sup>th</sup> September deadline
- Timing of decisions & AILG consultation



# Budget Processes

- Draft Budgetary Plans for Municipal Districts
- National Budgets – 15<sup>th</sup> October
- Budget meetings – November
- Formal Adoption – before year end
- Schedule of Municipal District Works
- Review of overall process

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## ***Governance***



# Governance - Stronger Council Role

- Manager post replaced by Chief Executive -  
appointment approved by council
- Greater council oversight of executive
  - New Strategic Policy Cttes can request attendance by  
public authorities
  - Statutory audit committees



# External Governance – National Oversight and Audit Commission (NOAC)

- Independent scrutiny of LG performance
- Review spending, value for money, implementation of national policy
- To address performance by council and executive - CE to prepare implementation plan to address weaknesses identified by NOAC
- Reports to Ministers, Oireachtas Cttes, etc



# Financial Governance – Role of Audit Committees

- Establishment of statutory audit committees
- Support the elected Council through independent assessment of management
  - in controlling the local authority,
  - the quality of the risk management,
  - financial reporting & financial management and
  - internal audit.
- Audit Committee reports directly to the Council
- Council approves its annual work programme



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## ***Next Steps***



# Further Reform and Evaluation

- Cork and Galway Boundary Commissions
  - Review of boundaries
  - Option of Merger of City and County structures
- Evaluation of Reform to date
  - Terms of Reference in Development
  - Working Group for engagement with AILG
- New Governance arrangements and impact on Towns



# Further Reform and Evaluation

- Functioning of Municipal Districts
  - Geographic scale of Districts
  - Councillor Workload
- Budgetary Cycles
  - Draft Budgetary Plans for Municipal Districts
  - Local Property Tax & Budget
  - Schedule of Municipal District Works
- Longer Term Agenda