

Submission to Local Government Efficiency Review Group

Introduction

The AMAI are the representative association of city/borough/town councils in Ireland. The role of the AMAI according to its constitution *“is to protect, encourage and develop Town Local Government in Ireland”*. The AMAI fully subscribe to the principles of the European Charter of Local Self Government i.e. *“that local government should be practiced as close to the citizen as possible.”* Local accountability should be the cornerstone of local government and the AMAI contend that town councils provide the most accountable, responsive, economic and efficient level of service in the local government system.

The AMAI are happy to make a submission to the Local Government Efficiency Review Group, but given the short time scale imposed in this regard, and the limited resources of the representative associations, this submission will not be as extensive as we would wish.

The AMAI fully support the work of the Review Group and acknowledge that there is scope for efficiencies in the Local Government area, some of which will be addressed below. The AMAI recognising that major changes and efficiency measures have already commenced within Local Authorities also recognises the need for constant vigilance in all areas of a local Authorities operation, expenditure and service delivery. The introduction of Aggresso and the accrual system of accounting while involving Local Authorities in initial costs is already leading to greater transparency, accountability and efficiency. Changing from a locally centralised H R system to a "line management" system should also deliver efficiencies and minimise the potential for disputes." (Change Management)

It seems to be a common thread through all local government reviews, studies, reports etc over the years that efficiency can best be obtained by proposing abolitions, reductions and general culling of the democratically elected structures

put in place to provide representation for the citizens of this country. The most recent manifestation of this approach was the proposal in the Report of the Special Group on Public Service Numbers and Expenditure Programmes (The Mc Carthy Report) to abolish all Borough and Town Councils despite this area being completely outside their terms of reference. While supporting the constant necessity to reform every aspect of local government we believe that at this time the focus of your attention should be on the administrative structures that spend the budgets provided by their local authorities. There is an inherent danger in seeing the transfer of responsibilities from Local Authorities to other agencies or to the centre as an efficiency in that what may be seen as a solution may turn out to be a disaster and not lead to the intended efficiencies, the old maxim small is good can still be best if proper local structures are in place.

Structures

The Ireland of 2010 is a very different place of the Ireland of even a decade ago. Ireland is now a much more urbanised society than it has ever been, and the structures of local government have to reflect this change. We have very many large urban communities with no sense of community or identity. Many of those communities are currently lobbying for City and Town Councils eg. Tallaght, Maynooth, Carrigaline , Roscrea, Celbridge,Ballincollig to name a few.

The ridiculous situation regarding Town Council Boundaries that has been allowed to develop over the years where the area within the Town Boundary is only a fraction of the area of the actual town and only contains a fraction of the urban community. This of course leads to a situation where one community is served by two local authorities, very often to the detriment of the community as manifested by out of town shopping development and housing.

The reason for this impasse is that the resources needed to maintain the huge County Council structures would be affected by town boundary alterations. Apart from such considerations being contrary to the principles of democracy they are

erroneous, primarily because the revenues would continue to accrue to the public purse and be more effectively, economically and appropriately expended, and would enable the towns to further contribute to county councils in the provision of county at large services through such mechanisms as the County Charge.

A common solution proposed by “the powers that be” to address this situation is a formalisation of the County Council Area Committees as they are constituted at present. The County Council Area Committees are firstly “sub committees” of the Co Council, are answerable to the County Council and do not have a decision making role in their own right. It would be ludicrous and undemocratic to suggest that they could in any way represent our urban populations. The experience to date has been that the one representative that Town Councils have on these largely rural focussed committees has met with resentment by County Councillors. This issue is constantly being raised by AMAI members trying to function on Area Committees.

Democracy

There is little doubt that the role of the elected member in the Local Government system is being constantly eroded and devalued in contrast with that of the Executive arm of local government which has increased to the point that they are effectively in total control of the system. If you require a classic example of the disdain for the role of the elected member their exclusion from your own group provides it. Councillors are elected by, and represent every sector of society.

The last major reform of the local government system was Better Local Government (BLG) in the nineties. Better for who has to be asked over a decade later. Is the service that local government provides for the citizen better, more efficient and giving better value for taxpayer’s money? This issue needs to be addressed urgently. One thing that is certain is that the cost of BLG has been a huge drain on local government resources. The hugely expensive bureaucracy created to implement BLG is now weighing heavily on the scarce resources of all units of local government.

The Boroughs/Towns that the AMAI represent were not included in BLG but were levied with the cost of putting the structures in place and maintaining them. BLG has destroyed the Town Clerk grade and imposed an expensive and unnecessary Town Manager in all Boroughs and Towns. Town Clerks, when directly employed by the Boroughs and Towns saw themselves as leaders in the community, encouraged progressive policies and saw their job as a lifetime career. They have been replaced by assigned officers of the County Council, who are employees of the County Council and whose loyalty has to be to the County Council. These positions are constantly being rotated which results in many cases to a reduced commitment to the municipal authority. In an increasingly urbanised society the Town Clerk should be empowered to work with the elected representatives to drive forward a developmental and social agenda for the community and not be looking over his/her shoulder at every turn.

Specific Recommendations to reduce costs

Service Indicators: The ability to determine the efficiency of Borough/Town Councils is very difficult given their exclusion from the **service indicators** that apply to City/County Councils. It is very difficult to understand why Boroughs/Towns were excluded, given that some of these bodies are quite large and impinge on all aspects of local government in their counties. Some of the service Indicators is applicable only to Boroughs/Towns. Take the example of County Louth which contains Dundalk Town Council and Drogheda Borough Council, both large local authorities in their own right, yet their activities are reflected in the service indicators of Louth County Council. Could this be to cover up the weak and unsustainable position of the County Council without the input of the municipalities? Counties Sligo and Kilkenny are in a somewhat similar position with the performance of their Borough's reflected in the County Councils figures. **Surely it must be an imperative for any serious study of local government efficiency to determine how all units of local government are performing.**

Use of Consultants: Each County and City Council employs a substantial number of Civil Engineers, Planners, Technicians etc whilst at the same time spending huge amounts each year on hiring Consultants to provide solutions in every aspect of its core activity including Development Plans Traffic Management Plans, Housing Action Plans, Waste Management Plans, Retail Strategies, etc.

The employment by City/County Councils of professional staff with the necessary support structures and the responsibility to pay their pensions out of current expenditure places a huge drain on the budgets of every local authority. Borough and Town Councils while not directly employing these staff pay for the cost of their employment directly or through the County Demand paid to County Councils. Whilst there will always be a need for specialist advice it would appear that consultants now operate at every level of Local Authority activity. In a period where local authority budgets and consequently output will be severely curtailed local authorities should seek to utilise their own staff to replace the work currently carried out by consultants. If necessary this very costly cohort of staff should be re trained and re focused to carry out this work.

Water Treatment/Sewage Plants: The Design Build Operate scheme to provide public water and sewage plants was initiated to provide a speedy solution to provision of badly needed facilities in our towns and villages. It has addressed this part of its remit reasonably well but the subsequent maintenance costs of these facilities is becoming increasingly expensive and needs to be examined.

Since the removal of Sanitary (Water/Waste Water) function from towns under the Local Government Act 2001 the cost of water has escalated hugely to the towns. This of course is reflected in the commercial rates.

The interaction between the DoEHLG and Local Authorities on capital spending: Whereas everyone acknowledges that there must be full transparency and accountability in the expenditure of public monies, it is perceived that the amount of interactions between the relevant Departmental sections and the local

authorities in the expenditure of capital, be it on housing, water, sewage, roads etc, takes far too long to conclude, cause huge delays in the provision of services and undoubtedly increases the cost of every project, without guaranteeing a positive result or better product. This is an area that attention needs to focus on and where efficiencies and real savings can be achieved through allocating budgets, allowing, and making Local Authorities totally responsible for the planning, delivery, and management of projects.

Centralisation of Payroll, Human Resources and IT: Many organizations with a national remit have centralised Payroll/Accounts Payable, HR and IT as a means of reducing costs. The first steps have been taken in some counties to centralise payroll/accounts payable eg. Wexford and Kilkenny in that the County Council carries out the finance function for the Boroughs and Towns in the county. Payroll could be carried out by a lead local authority in each region if not at national level given the commonality of the grades and pay scales in the local government area. This could equally apply to HR and IT.

Local Government Audit Service: Members often highlight the length of time it takes to conduct local authority audits, up to 2 months for a relatively small local authority. While it is recognized that local government auditing is a very specialized area the process may be improved and modernised by the introduction of more up to date financial tools for our auditors.

Local Government Computer Services Board: This board has developed into a hugely expensive quango with up to 100 staff. The cost of running this board should be carefully examined to determine if the IT needs of local authorities could be met in a much more cost effective way.

The effectiveness of particular programmes

Housing: The operation of most housing programmes is now centralised at County Council level and in recent years the Department with the City /County Managers has attempted to wrench the housing function from Borough/Town

Councils, on the basis, no doubt, that every function can be carried out by the larger authority in a much more efficient manner. The standard defense of this action by the Department was that housing was too “complex” for Borough/Town Councils to administer. This may be the case in regards to some aspects of housing but there is sufficient anecdotal evidence to suggest that taking the local element out of housing creates considerable inefficiency and waste.

The AMAI firmly believe that Town Councils discharge their housing functions to the highest standards. The only figures to hand at this short notice are provided in Dail Question No.558 of 16/10/07 which show that from the years 2000 to 2007 that Kildare County Council spent 69% of its Housing Capital Allocation whereas Athy Town Council spent 144% of its Capital Allocation. There is reason to believe that this situation is replicated nationwide.

Councillors consider that housing is an “intimate” function that benefits from local knowledge. It has been a recurring theme at AMAI meetings ,Conferences and Seminars that the nearer to the community that the housing function is exercised the more likely that the requirements of those in need of housing will be met in a more transparent and honest way. The inability of larger housing administrations to focus on local needs and conditions often leads to decisions that are not in the best interests of the communities they are meant to serve.

Other areas of housing where significant improvements could take place

- Ensuring that when houses are being returned to the local authority they are in a condition that they can be re-occupied immediately. Tenants who do not hand back houses in good condition should be penalised.
- When houses are returned to local authorities they should be occupied as soon as possible to reduce the damage from vandalism and anti social behavior.
- Unoccupied houses are a loss of rental income to local authorities.

- The management of public housing by Town Councils is vastly more efficient than by County Councils. Examples of staff resources to manage tenants and applicants would indicate a 3 to 1 advantage to the town authority.
- The detailed knowledge that the Town Council Housing Officer has of tenants and applicants ensures better management and decisions in relation to housing issues.
- Departmental Housing Allocations are too rigid in that the monies are categorised at national level which may not suit the needs of individual councils.
- A far greater proportion of Town Council house maintenance budgets are spent on actual maintenance, whereas in larger authorities the greater proportion is expended on wages and salaries.
- Lease to Purchase Scheme: this scheme has long term financial implications for Local Authorities. Under this scheme Local Authorities lease new houses from Developers for Social Housing, undertake all maintenance etc during the period of the lease and at the end of the term must give the house back to the developer in the same condition as they received it the first day!! The house never becomes an asset, it is always a liability, and at the end of the lease period what happens to the tenant?

Funding for Town Roads and footpaths: Town Councils receive annual allocations for provision and maintenance of urban roads and footpaths. Town Councils former Town Commissioners receive annual allocations for footpaths. There is a constant stream of complaints from these authorities that these funds are appropriated by County Councils and the work carried out very inefficiently by County Council staff. In some instances when this work has been contracted out to private firms the work done has achieved much greater value for money.

Conclusion

While the AMAI has serious issues with the absence of the elected representative from this process, it nevertheless wishes the Review Group well in their deliberations. Any recommendations that genuinely streamline and make more efficient the expenditure of the multibillion local government budget, and provides better value for money for the hard pressed tax payer will be welcomed.