

# Local Government Reform Act 2014

## A Brief Overview

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**Comhshaol, Pobal agus Rialtas Áitiúil**  
Environment, Community and Local Government



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**An Bille um Athchóiriú Rialtais Áitiúil, 2013**  
**Local Government Reform Bill 2013**

*ATHRAITHE Ó*  
*CHANGED FROM*

***AN BILLE RIALTAIS ÁITIÚIL, 2013***  
***LOCAL GOVERNMENT BILL 2013***

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*Mar a ritheadh ag dhá Theach an Oireachtais*

*As passed by both Houses of the Oireachtas*

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# Some Key Dates

- Programme for Govt March 2011
- Policy document Oct 2012
- Electoral report May 2013
- Local Govt Bill published Oct 2013
- Passed both Houses 22 Jan 2014
- Signed by President 26 Jan 2014



# 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

## General Context

### **Local Government weakness**

- structures largely unchanged since 1898
- narrow functions
- weak finance
- low public engagement
- previous proposals had limited effect

### **Economic crisis**

- EU/IMF programme
- Severe impact on public finances - fiscal consolidation €32.4 bn >20% GDP (2008-2015)
- Public sector reform/rationalisation



*Putting People First*

# Action Programme for Effective Local Government

Department of the Environment,  
Community and Local Government

October 2012



# Vision

*“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”*



# Reform Measures

- 1. New Functions:** economic development, community/local development, enterprise support
- 2. Secure Finance:** stable, sustainable funding – new local property tax
- 3. Greater Operational Efficiency:** shared services, performance standards, customer focus
- 4. Effective Governance:** leadership, accountability, oversight, ethics, citizen participation, etc
- 5. Reorganisation of Structures:** regional, county, sub-county





# Contents of Act

**PART 1:** PRELIMINARY AND GENERAL

**PART 2:** LOCAL GOVERNMENT AREAS AND LOCAL AUTHORITIES

**PART 3:** MUNICIPAL DISTRICTS AND DISSOLUTION OF TOWN COUNCILS

**PART 4:** GENERAL PROVISIONS RELATING TO DISSOLUTIONS, ETC.

**PART 5:** - FINANCIAL PROVISIONS CONSEQUENTIAL ON DISSOLUTIONS AND PROVISIONS RELATING TO RATES

**PART 6:** COMMUNITY DEVELOPMENT WITHIN LOCAL AUTHORITY AREAS

**PART 7:** LOCAL AUTHORITY GOVERNANCE AND MANAGEMENT, ETC.

**PART 8:** FINANCIAL PROCEDURES, AUDIT AND OVERSIGHT

**PART 9:-** REGIONAL ASSEMBLIES

**PART 10:** REGIONAL ASSEMBLIES AND REGIONAL SPATIAL AND ECONOMIC STRATEGY

**PART 11:** PLEBISCITE ON DIRECTLY ELECTED MAYOR FOR DUBLIN METROPOLITAN AREA

**PART 12:** NON-PRINCIPAL PRIVATE RESIDENCE CHARGE AND HOUSEHOLD CHARGE

**PART 13:** LOCAL GOVERNMENT FUND AND IRISH WATER

**PART 14:** DUBLIN DOCKLANDS DEVELOPMENT AUTHORITY SCHEDULES



# Part 2: Local Govt. Areas and LAs

## City/County Mergers:

6 city/county authorities merging into  
3 unified bodies

Limerick: City & County

Waterford: City & County

Tipperary

- Reviews in 2010 and 2012
- Govt decisions 2011 and 2012
- Implementation Plans 2012/13
- Single managers appointed
- Full merger 1 June 2014



# Parts 3-5: Municipal Districts and town councils

- County divided into Municipal Districts (MD)
- Town councils dissolved
- MD not separate LA but a statutory decision-making body
- Common district/county members
- Elected council functions at 2 levels
- 70 reserved functions devolved to MD
- Local issues decided in MD, strategic issues at county level
- Single county-wide executive
- System based on role of members not structures, processes, etc



# Aims of Municipal District system

- End administrative duplication
- Operational integration – greater efficiency
- Inconsistency between municipal and non municipal towns/rural areas ended
- Boundary anomalies removed
- More localised decision making
- Key functions at MD level - local area plans, bye-laws, local charges and programmes of works e.g. roads, housing and amenities
- Less variation in ratios of councillors to population across the country



# Part 6: Community Development

- Alignment of local govt and local development
- More central local govt. role in local and community development

## Objectives:

- greater collaboration between local delivery agents
- better targeting of public funding to needs
- better impact and outcome for spending



# Local Community Development Committees (LCDCs)

New Local Community Development Committees (LCDCs):

- develop community elements of 6 year Local Economic and Community Plan,
- Management and oversight of local development programme delivery
- Working closely with local development agencies to coordinate local and community development activity in their areas



# Implications for LA members

- As councillors you will be members of LCDC with more say in how funding is spent on local development programmes and supports
- You will work with your communities and stakeholders in identifying local development priorities
- You will approve the Local Economic and Community Plans to be developed for each local authority area
- Local Development Companies will continue to be key players
- “Bottom-up” approach will continue to underpin local development

# Part 7 – LA Governance, Management, etc

- County/City Manager post replaced by Chief Executive
- Strengthened role for elected members in policy formulation and overseeing implementation
- Elected member powers to vary rate of Local Property Tax from 2015
- Other new reserved functions

Other governance provisions:

- chief executive (CE) to submit monthly management reports
- CE to report/review actions to implement the reserved functions, and in respect of executive functions
- CE to give advice etc to all working levels of elected members
- CE to have regard to views of elected members as policy as being developed; draft policy papers to be provided
- CE to prepare implementation plan to address weaknesses identified by NOAC
- establishment of SPC for Economic Development and Enterprise
- SPCs can request attendance by public authorities
- strengthened CPG to include party leaders and member of each MD
- all policies of council to be included Corporate Plan





# Wider Local Government Role

Wider power to devolve functions

Devolution to be pursued on on-going basis

Economic Development – a stronger local government role

- Micro-enterprise service integrated with local government
- Clearer economic development role for local government
- Local economic development plan
- Economic development reflected in management and governance structures
- Alignment of EU-funded Local development programmes with local government
- Regional Economic and Spatial Strategies



# Part 8: Financial Procedures, Audit and Oversight

Municipal District members adopt:

- Budgetary plan
- Schedule of municipal district works

New audit provisions

- Statutory audit committees
- Abolition of surcharge

National Oversight and Audit Commission:

- independent scrutiny of LG performance
- function to ensure value for money achieved
- reports to relevant Ministers
- reports to be published
- to contain elected member & LA employee
- to operate within existing resources.



# Overall reform of LG funding

- Sustainable funding + less dependence on Exchequer - Local Property Tax
- % to be retained locally, redistribution to local authorities with weaker funding bases.
- From 2015 local authorities may vary the rate of LPT by +/- 15%



# Parts 9&10 :- Regional Matters

## Action Programme:

- need for more coherence and effectiveness
- end parallel system of regional authorities and assemblies
- reduce the number of regions to 3

## Main functions:

- Regional Economic and Spatial Strategies
- Management of EU investment programmes

## Governance provisions:

- Role of director
- Committees

Further details in secondary legislation

Organisational aspects to be finalised



# Part 11 – Local Governance in Dublin

Plebiscite in 2014 to consider:

- future local governance arrangements for the Dublin metropolitan area
- options for possible office of directly elected mayor

Elected members Forum report

Statement to set out:

- functions of office
- changes in functions of Dublin LAs, etc
- resource implications
- advantages, disadvantages, measures to maximise efficiency, etc

Resolution to be adopted for plebiscite

If passed, legislation within 2 years

# Water sector reform programme

A major aspect of LG change

Three pillars:

- new public water utility for water and wastewater services
- new funding model, with domestic water charges
- economic regulation of water services, through Commission for Energy Regulation, to protect customers' interests, scrutinise IW costs/budgets and determine water tariffs.

# Water sector reform programme

- Two Water Services Bills enacted in 2013.
- Irish Water established
- SLAs between IW and LAs
- > 1 million dwellings surveyed by LAs for domestic metering
- >100,000 meters installed
- First public consultation by CER on regulatory issues
- Transition phase 2014-2017
- “Steady state” post-2017



# Latest News - Municipal Districts + LEAs

Orders by Minister to commence provisions of Act and designate:

- 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





# The next steps

- New Register of Electors 1 Feb 2014
- Further orders, regulations, guidelines, Feb 2014 onwards
- Communication and engagement with LAs and Members Associations
- All measures in place in time for local elections 23 May 2014