



**dublinchamber**  
of commerce

**Response to  
The Local Government (Dublin Mayor and Regional Authority) Bill 2010**

**June 2010**

## **1. Introduction**

The Local Government (Dublin Mayor and Regional Authority) Bill 2010 was published on 24<sup>th</sup> February 2010. The Minister for the Environment, Heritage and Local Government subsequently committed to holding an election for the office of directly elected Mayor this year. The Heads of Bill propose powers for the Mayoral office that fall short of the type of powers seen in London, and far short of those in New York, where, for example, the Mayor has power of veto in respect of legislation and large budgets. Dublin Chamber recognises that powers accrued to the London Mayoral office over time.

A number of issues of concern to the Dublin Chamber are not dealt with in the Heads of Bill, most notably the questions of local government efficiency and reform. It is our understanding that these issues will be addressed through the implementation of the recommendations of the Local Government Efficiency Review Group (currently being completed) and arising from the forthcoming Government White Paper on Local Government Reform. Thus, Dublin Chamber makes its comments on the Local Government (Dublin Mayor and Regional Authority) Bill 2010 on the basis that a number of critical issues, raised by the Dublin Chamber in the context of the Mayor, will be dealt with elsewhere and that the role and functions of the Mayor will be revised having regard to the recommendations of the Local Government Efficiency Review Group and the White Paper on Local Government.

Dublin Chamber is concerned that there is a distinct possibility that the current Heads of Bill will result in an additional layer of bureaucracy. It appears that the Mayor will have a huge electoral mandate and yet little powers of coordination amongst the four Dublin local authorities, as he/she will not have direct operational responsibility for service delivery, driving operational efficiencies or budgetary control. The powers proposed for the Mayoral office are heavy reliant on consultation and diplomacy, except perhaps in the areas of waste, water and transport.

We outline below some proposed changes in the legislation that should enhance the powers of the Mayor and increase the effectiveness of the office.

## **2. Dublin City Region**

City Regions are now the level at which competition for international investment and jobs occur. They are the engines of their national economies, typically generating above-average wealth, employment and productivity growth. A key issue impacting on the competitiveness of City Regions is the quality of their local government. The Dublin City Region has been identified as the only region of sufficient size in Ireland to be able to successfully compete internationally as a City Region.<sup>1</sup> Consequently, Dublin businesses are questioning the operational efficiencies of its local authorities.

### **2.1 Powers Dublin Chamber wants assigned to the Mayoral office**

The issues facing the Dublin City Region cross existing local authority borders. Strategic guidance and coordination from one single, accountable point is needed.

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<sup>1</sup> The OECD categorises city regions by their population size, and the smallest size considered is 1.5million (OECD Territorial Reviews: Competitive Cities in the Global Economy, 2006). The Census 2006 states that there are 1,662,536 people living in Dublin County (1,187,176), Kildare (186,335), Meath (162,831) and Wicklow (126,194). In its paper, 'Mayor with Budget and Authority: Response to the Green Paper on Local Government Stronger Local Democracy: Options for Change', July 2008, Dublin Chamber outlined its belief that the responsibilities of the Mayor should cover the Dublin City Council and the six County Councils of Dun Laoghaire / Rathdown, Fingal, Kildare, Meath, South Dublin and Wicklow.

Hence, Dublin Chamber has long called for the election of a powerful Mayor who will tackle the major strategic challenges facing the Dublin Region, including:

- Being responsible for the management and delivery, at a regional level, of transport infrastructure, housing, waste management facilities, water provision and waste water services planning;
- Being responsible for planning and land use so that all future developments are planned and delivered in a coordinated holistic fashion;
- Being responsible for the promotion of greater efficiency in the operation of Dublin's local authorities so that their cost base is reduced. Critical to the realisation of this goal is the reform of existing local government structures so that existing duplication in services/ functions is eliminated. There must be a rationalisation of some services and functions through greater adoption of the 'shared services' model to realise greater economies of scale; and
- Being the political champion for the Region nationally and internationally. Dublin needs a champion who will market the region internationally as an attractive location with integrated infrastructure, coordinated leadership, easy access to external markets, an excellent highly skilled labour force, a centre of innovation and change and a tourist and conference destination with every facility necessary.

Dublin Chamber also believes that creation of the office of Mayor must coincide with a change in the administration of local taxes. It is necessary that a direct linkage is created between local service usage/benefits and local taxes, so that revenues raised in an area are spent in the area. This will provide the electorate with a direct, clear and transparent link between the taxes they pay for goods and services provided at local level and the quality and efficiency of those services. This entails a broadening of the tax base, as recommended by the Commission on Taxation, to include commercial rates on state-occupied property and domestic water charges.

## **2.2 Powers assigned to the Mayor in the published Heads of Bill**

Many of the powers proposed in the Bill for the Mayoral office are heavy reliant on consultation and diplomacy with the managers of the local authorities. Dublin Chamber believes that the legislation must be amended to give clear control to the Mayoral office so that he/ she can issue legally binding directions, for example, to a local authority that fails to comply with measures taken by the Mayor and Regional Authority to deliver greater efficiencies, lower costs and accountability within Dublin's regional government structure.

Dublin Chamber welcomes the general objectives of the Authority as outlined under Head 35 of the Bill. However, stronger powers must be assigned to the Mayoral office if the Authority is to achieve two of the objectives outlined under Head 35:

"the provision of efficient local government services through co-ordinating and maximising co-operation between the Dublin local authorities in the delivery of their services" and "the promotion of the Dublin Region within Ireland and internationally as an attractive location in which to live, work and invest".

Dublin Chamber also believes that greater clarity is needed as to the role the Mayoral strategy (as outlined under Head 37) will play in the decision-making process within Dublin's local government structure. As this strategy will outline the key objectives, outputs and related strategies of the Mayor for his/her term of office, Dublin Chamber believes the importance of this strategy must be strengthened in the legislation so that it supersedes any strategy of the local authorities which are in conflict with its objectives. Dublin Chamber also calls for this strategy to clearly outline the specific steps the Mayor may take to realise the objectives of the Authority as outlined under Head 35, including the issuance of legally binding directions to local authority managers.

Dublin Chamber welcomes the power given to the Mayor under Head 38 to "give a direction to a local authority in Dublin requiring it to exercise its functions in a manner which is consistent with" the regional plan and that "the local authority shall comply with such direction".

Whilst Dublin Chamber does not oppose the Mayor “consult[ing] with and consider[ing] the views of the local authority concerned” before giving a direction under this section, the Chamber believes that the Mayor must not be constrained by the views of the local authorities. This combined with section 9, Head 38 (which ultimately gives power to the Minister)<sup>2</sup> leaves Dublin Chamber concerned that the Mayoral office is too weak to be effective.

Dublin Chamber believes the Mayor must have budgetary control if his/her office is to be strong enough to lead change effectively and promote greater operational efficiency in the running of the Dublin City Region. Dublin Chamber is therefore disappointed that under Head 41:

- The Dublin local authorities only have to “have regard to” the advice issued by the Mayor in relation to “the efficient use of resources in delivery of local services and the setting of local rates or other charges”;
- The manager of a Dublin local authority only has to consult with the Mayor in relation to the preparation of a draft local authority budget at the same time as he/ she consults with their corporate policy group. And that ultimately that the Manager and members of a Dublin local authority only has to “have regard to” the comments made by the Mayor in relation to its budget; and
- The manager only has to “have regard to any views which the Mayor may have in relation to” contracts of value over €50 million and which are directly relevant to the principal functions of the Authority.

Under Head 41, Dublin Chamber want the powers of the Mayor to be strengthened beyond “shall have regard to” to “must comply with”. Whilst Dublin Chamber does recognise that under Head 45<sup>3</sup> there is a provision to review “the objectives and functions of the Authority and consider... whether the powers and functions of the Authority are sufficient to achieve the Authority’s general objectives and to fulfill the Authority’s principal functions”, no later than two years after the establishment day of the Mayoral office, Dublin Chamber believes that if strong candidates are to be encouraged to run for election then greater powers need to be assigned to the office from the outset.

Dublin Chamber welcomes the powers assigned to the Mayor in relation to the Regional Planning Guidelines (RPGs) under Head 46 and subsection 6(a), Head 47<sup>4</sup>. However, Dublin Chamber believes that at present the RPGs are unfit for purpose and must be re-written so that the information contained within it is more ‘content specific’, i.e. in terms of location and policy information, and focused less on ‘strategic visions’ if the Mayor is to effectively tackle the strategic challenges facing the Dublin Region in the areas of land use and planning. Furthermore, Dublin Chamber is disappointed that the Minister has the power to “direct changes to be made to the guidelines in relation to the Mid-East Region and the Mayor shall make such changes accordingly” under subsection 10, Head 47 (if the Cathaoirleach of the Mid-East Regional Authority has approached the Minister with the view that the RPGs are “inconsistent with the National Spatial Strategy and other relevant planning policies”). Dublin Chamber calls for this provision to be removed because the National Spatial Strategy does not give appropriate recognition to the role the Greater Dublin Area plays in driving the Irish economy. This position of Dublin Chamber is supported by the National Competitiveness Council report, *Our Cities: Drivers of National Competitiveness*, which highlights the central role that cities, and Dublin in particular, play: “It is critical that both national and regional policies support the development of Dublin and of our other main cities and that nationally we work to ensure that the development of our cities is fully understood as being in the national interest.”<sup>5</sup>

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<sup>2</sup> “In the event of conflict between a direction issued by the Mayor under this Head and a direction or directive issued by the Minister, the direction or directive issued by the Minister shall take precedence and the Dublin local authorities shall act accordingly”.

<sup>3</sup> Review of the Authority’s role and operations

<sup>4</sup> Head 47, subsection 6(a) Where, in accordance with subsection (6) of section 24 of the Act of 2000, the members of the Authority and Mid-East Regional Authority propose to make regional planning guidelines which in the opinion of the Mayor would not be appropriate, the guidelines shall not be made.

<sup>5</sup> ‘Our Cities: Drivers of National Competitiveness’, April 2009

Dublin Chamber also calls for subsection 2, Head 49 to be amended to read “For the purposes of considering the making, amendment or revocation of a local area plan, the members of the Dublin Region planning authorities shall comply with the relevant policies or objectives of the Authority”.<sup>6</sup>

Dublin Chamber welcomes the powers assigned to the Mayor and Authority in waste management planning under Head 50 and 51.

Dublin Chamber also welcomes the powers assigned to the Mayor and Authority in relation to water services planning under Head 52 to 55.

Dublin Chamber welcomes the key role for the Mayor in relation to transportation and traffic management in Dublin under Head 58 of the Bill. Dublin Chamber welcomes the power of the Mayor to chair the GDA Transport Council which will replace the Minister as approver of the NTA’s transport strategy for the GDA subject to the Minister being able to direct the Authority to make changes to a transport strategy approved by the Transport Council where the Minister consider that the Council’s strategy *substantially* fails to set a long-term strategic planning framework for the integrated development of transport infrastructure and services in the GDA; and, replace the NTA Board as approver of the NTA’s strategic traffic management plan for Dublin. Dublin Chamber believes that a business representative organisation should be appointed to the GDA Transport Council as an “ordinary member”.

Head 59 outlines the establishment of the Dublin Region Development Board, which the Mayor shall chair. However, Dublin Chamber does not believe sufficient powers and resources have been allocated to the Mayor or the Authority under this Head or elsewhere in the Bill to realise the objective under Head 35 to promote “Dublin Region within Ireland and internationally as an attractive location in which to live, work and invest”. Dublin Chamber supports the proposition that enterprise support services should be provided by one central local authority body in the Dublin City Region.

Dublin Chamber acknowledges that it is important that the legislation puts in place safeguards to protect the tax payer from the consequences of non-compliance with statutory obligations. However, Dublin Chamber’s concerns of additional layer of bureaucracy being added to the governance structure of the region are not assuaged by subsections 1 and 2 of Head 63<sup>7</sup>. Furthermore, Dublin Chamber believes that the Dublin Region needs a strong political voice to be an advocate for the region nationally and internationally. Section 3(b), Head 63<sup>8</sup> undermines the decision making powers of the Mayor and does not acknowledge the position of the National Competitiveness Council that it is critical that both national and regional policies support the development of Dublin the development of Dublin and of our other main cities.

### **3. Local Government Reform and Funding**

Dublin Chamber believes the introduction of a directly elected Mayor for the Dublin must be is intrinsically linked with local government reform and a broadening of the local tax base. Dublin Chamber is disappointed that Government has yet to adopt clear policies on these issues. Until the White Paper on

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6 Currently reads: “For the purposes of considering the making, amendment or revocation of a local area plan, the members of the Dublin Region planning authorities shall take account of the relevant policies or objectives of the Authority”.

7 (1) The Minister may, in accordance with this section, for stated reasons direct the Authority to take such specified measures as he or she may require, in relation to a regional plan, including the variation, revision, or replacement of a regional plan, as the case may be; (2) Where the Minister issues a direction under this section the Authority, notwithstanding anything contained in this Act, shall comply with that direction and the Mayor or members of the Authority shall not exercise a power or perform a function conferred on them by this Act in a manner that contravenes the direction issued by the Minister under this section.”

8 (3)(b) In the case of regional planning guidelines, the regional plan fails to set out an overall strategy for the development of the Greater Dublin Area consistent with the National Spatial Strategy

Local Government Reform and the findings of the Local Government Efficiency Review Group are released, one cannot get a clear understanding of:

- (a) How the duplication that exists within Dublin's local government structures is going to be effectively tackled;
- (b) How greater efficiency in the delivery of local services is going to be realised; and,
- (c) By how much the burden of taxation borne by business will be reduced.

Dublin Chamber calls for:

- 1) The recommendations made in its submission to the Local Government Efficiency Review Group be endorsed; and,
- 2) The recommendations made by the Commission on Taxation on the funding of local government to be either implemented or rejected by Government (accompanied by a written explanation as to why).

#### **4. Summary**

Dublin Chamber wants an accountable Mayoral office with the power to promote the Dublin City Region nationally and internationally, and one that offers greater transparency between spending decisions and local taxation.

The Mayor must be able to drive real change and make a tangible positive difference to the lives of Dubliners, and to the cost base of local businesses.

Dublin Chamber have made a number of suggestions as to how the existing legislation can be improved, for example, relating to the role of the Mayoral strategy, the detail required of the regional planning guidelines and the requirement that the actions of local authorities comply with the strategic guidance of the Mayor's office.

There remain a number of outstanding issues that lie outside the structure of the existing legislation, including questions around the operational efficiency of local government and a radical reform of local authority structures. Dublin Chamber understands that these issues will be addressed under the White Paper for Local Government Reform and arising out of the work of the Efficiency Review Group, and consider it important that the Minister make a statement in this regard no later than the same time that the Mayor Bill is published.