



Local Government Reform in Ireland

Dublin Chamber Key Recommendations:

- Central Government must continue to radically overhaul operational structures and work practices right across the spectrum of local government authorities and bodies.
- The focus of reform must be on realising cost savings, implementing best practice and reducing local authorities' reliance on the business community for funding.
- Dublin Chamber calls for implementation of all recommendations in report on Local Government Reform which support the retention and creation of jobs, and improve the competitiveness of the Greater Dublin Area.
- In particular, Dublin Chamber calls on Government to commence the implementation of those recommendations of the Local Government Efficiency Review Group which are already fully consistent with the plans and intentions outlined in the Programme for Government.

Right across the Irish public sector there is a need to reduce spending levels and improve output based performance. The Dublin Chamber of Commerce welcomes the recent efforts by Central Government and local authorities to make Ireland's local government structures more cost efficient.¹

We welcomed the publication of the Report of the Local Government Efficiency Review Group back in July 2010, which identified 106 recommendations to help eliminate the waste and duplication within our local government system.

And we support the objective outlined in the Programme for Government to "cut back the waste and political cronyism built up over the last decade by paring back the expensive, fragmented structures of public administration...to go beyond the recommendations of An Bord Snip to rationalise core processes that are duplicated across the public service...to make substantial cuts to the number of State bodies and companies... and outsource, where appropriate, non-critical functions."

1 For example since 2009 Dublin City Council has reduced its expenditure by €88m, and staff numbers by 750 which has required the absorption of work by the remaining staff through restructuring, productivity and performance initiatives. Overall Local Government Savings for the period March 2010 to March 2011 totalled €161,971,052.

Much research has been undertaken on the efficiency and performance levels, and effectiveness, of the Irish local government system and the subsequent financial implications:

- Indecon Review of Local Government Financing (2005)
- Transforming Public Services Report (2008)
- Report of the Special Group on Public Service Numbers and Expenditure Programmes (2009); and,
- Report of the Local Government Efficiency Review Group (2010).

The findings of these reports make it clear that there is considerable duplication in the back office structures within our local authorities, and that there is inadequate focus on output based key performance indicators and management.

So acknowledging the progress that has been made to date, we encourage Central Government to continue radically overhauling operational structures and work practices right across the spectrum of local government authorities and bodies.

Dublin Chamber recognises that many reforms will take a longer time frame to deliver, such as the transfer of powers and the staffing levels within our local government system. We also recognise the benefits of a range of services continuing to be delivered locally or sectorally. However, we believe that progress must continue so that cost savings are achieved, best practices are implemented and local authorities' reliance on the business community for funding is reduced. Indeed as part of this process of reform, local authorities that make savings must be rewarded by Central Government in terms of being able to keep the savings made, and those that do not meeting cost saving and reform targets must be penalised.

Dublin Chamber offers our full support to Government and the senior management teams within Dublin's local authorities in implementing the extremely challenging reform agenda that lies ahead. We do however offer this support conditional on genuine change occurring swiftly.

Dublin Chamber calls for implementation of any recommendation outlined in the above listed reports which will support the retention and creation of jobs, and improve the competitiveness of the Greater Dublin Area.

As an immediate action, Dublin Chamber calls on Minister for Public Expenditure & Reform and the Minister for Environment, Community and Local Government to commence the implementation of the recommendations of the Local Government Efficiency Review Group (LGERG). The plans and intentions outlined in the Programme for Government (PfG) support many of the recommendations of the Local Government Efficiency Review Group:

- The LGERG recommendations 6, 92 and 96 about dissolving and consolidating various bodies and transferring their functions to local authorities is compatible with the PfG: "The Comprehensive Spending Review will examine the number, range and activities of bodies funded significantly from public purse, including at local government level, and reduce numbers where appropriate."
- The LGERG recommendations 16-31 are focused on achieving value for money. These objectives are compatible with the PfG which is clearly focused on ensuring greater value for money and having a greater focus on output-focused measurements and performance information. Dublin Chamber specifically welcomes the plan in the PfG to encourage staff "to put forward suggestions for improving service delivery and organisation efficiency and effectiveness." Also "Government services websites, public offices, telephone services, and helplines will be reconfigured to facilitate access to a broad range of government services through a single point of contact."

- The LGERG recommendations 32 to 39, and 52, are focused on reducing administrative costs by rolling out the shared services model across all areas of activities, from ICT systems to the recruiting and promoting of staff. Once again this is compatible with the PfG which plans “to rationalise core processes that are duplicated across the public service, by establishing shared back-office operations for information technology, human resource management, payments and entitlement applications, business inspections and procurement.”
- The LGERG recommendations 40 and 46 regarding greater exploitation of opportunities for more effective procurement co-operation and co-ordination across local authorities and the broader public sector are compatible with the stated objective in the PfG to eliminate duplication across the public service, by establishing shared back-office operations for procurement.
- LGERG recommendation 43 “Local suppliers should be encouraged to participate in the tendering process”; PfG “We will reform public procurement to become a tool to support innovative Irish firms and to allow greater access to Irish small and medium sized businesses.”
- LGERG recommendation 62: “A concerted effort should be made to reduce unaccounted for water including water leakage levels” and recommendation 66 “The IT-based Performance Management System should be implemented for all water plants so that comparative data is available to establish benchmarking for service delivery and inform savings measures”; PfG: “The new Government will create Irish Water, a new State company that will take over the water investment maintenance programmes of the 34 existing local authorities. It will supervise and accelerate the planned investments needed to upgrade the State’s inefficient and leaking water network so has proved so unreliable during the recent harsh water conditions.”
- LGERG recommendation 73: “Local authorities should avail of opportunities to secure continued rationalisation of activity in waste management services”; PfG: “We will introduce competitive tendering for local waste collection services where the private sector and local authorities can bid to provide services in an entire local authority area for a set time frame.”
- The LGERG recommendations 70, 74, 75, 83 and 84 regarding greater use of ICT to offer more services online supports the PfG’s plan to “develop Ireland as a ‘digital island’ and first-mover when it comes to information technology by ensuring more progress on e-Government and moving Government services online”.
- The LGERG recommendations 89 and 90 regarding firmly embedding service indicators and benchmarking within the local authorities is compatible with PfG’s intention to have “concrete mechanisms to improve performance, using a range of external standards and benchmarks, to deal with persistent under-performance.”
- LGERG recommendation 99 and 106 relating to the cost recovery for water services for all users is compatible with the PfG “To achieve better quality water and environment we will introduce a fair funding model to deliver clean and reliable water.”