



dublinchamber
of commerce

'Mayor with Budget and Authority'

**Response to the Green Paper on Local Government
*Stronger Local Democracy: Options for Change***

12th June 2008

Introduction

The Dublin Chamber of Commerce welcomes the commitment in the Programme for Government to introduce a directly-elected Mayor for Dublin by 2011 and subsequent publication of the Green Paper, *Stronger Local Democracy – Options for Change*. This response to the Green Paper on Local Government builds upon our October 2007 submission to the Department of Environment and Local Government, *Democracy Now!*. Having studied *Stronger Local Democracy – Options for Change*, we reiterate the core arguments of our submission and respond to a number of points raised in the Green Paper.

Business has an inherent concern in the efficient operation of local government, as it is by far the largest single contributor to local authority budgets. International best practice highlights the importance of effective regional government as an enabler of economic growth and employment. The publication of the Green Paper is timely as weak economic growth places greater pressure on business and rising interest rates and the strength of the Euro weaken our competitive position in the export of goods and services. Competition amongst city regions is intensifying. Dublin Chamber therefore believes that the primary focus of the review of local government must be on promoting greater efficiency and accountability levels.

We wish to particularly welcome the following points in the Green Paper:

- The commitment to making local government more transparent and more responsive to its customers;
- The recognition that Dublin, as a highly successful urban centre, faces a number of strategic challenges in areas including planning, transport, housing, waste, water provision and waste water disposal and the related proposal that a regional Mayor for Dublin with defined strategic functions should be introduced; and
- The proposal that the Dublin Mayor should become the Chair of the Dublin Transport Authority.

This review offers a valuable opportunity to comprehensively reassess the operation of local government and make real long-lasting improvements. We believe that the necessary changes can be made to ensure local government in Ireland is efficient, effective and responsive to the ever changing economic and social needs of business and the general public. However, Dublin Chamber was disheartened by the ambiguity and lack of political direction indicated by the Green Paper. In particular, current proposals appear to simply skirt around the critical issues of control, management and finances.

We do not believe that the proposals outlined in the Green Paper are sufficient to address the challenges facing the Dublin City Region. The proposals for the new office of Mayor of Dublin appear to add an additional layer to the existing local government structure, without any clear indication of how it will improve it. Whilst the Green Paper recognises that the relationship between the directly elected Mayor and the other key institutions in Dublin need to be clearly defined, there are no proposals as to the relationship. There is not enough detail in the Paper on how the new office will interact with existing structures.

Dublin needs a strong leader who will tackle issues. The worst case scenario for business, workers, residents and visitors to Dublin would be to put in place another quango – a weak Mayoral office with no powers. It is critical that the forthcoming White Paper commits to serious and significant reform and restructuring of existing systems. Our message is clear – 'Do it properly or don't do it at all. Give Dublin a Mayor with strong powers and the proper budget and authority to carry out tasks and reform'.

Dublin Chamber is also disheartened to note that the issue of financing local government has been swept to one side, with responsibility for this issue apparently assigned to the new Commission on Taxation. We are concerned that the integration of thinking between the work of the Commission and the Department of Environment and Local Government will be insufficient. The timelines for the two processes differ and the Green Paper gives the impression that it is possible to address the questions it raises, without tackling the question of local financing and sources of revenue. We do not concur. The Green Paper envisages a White Paper in the Autumn, followed by legislation, when the Commission on Taxation is not due to report until Q4 2009. The decision not to address financing in the Green Paper is a grave disappointment as it is impossible to evaluate the proposals for a Mayor for Dublin and local government reform in Dublin without having some knowledge of the financial package, responsibility and power being proposed.

Control

The Green Paper proposes "that a regional mayor for Dublin with defined strategic functions should be introduced." Dublin Chamber welcomes this proposal, however we would like greater clarity on the geographical remit of the Mayor. The Paper states that "the role of the mayor in relation to current and future institutional arrangements needs careful consideration, particularly in regard to the 4 Dublin local authorities, the adjoining local authorities, and national offices. It is proposed, for example, that the Dublin mayor should become the Chair of the proposed Dublin Transport Authority."

We believe that the responsibilities of the Mayor should cover the Greater Dublin Area, and include the development and management of the principal infrastructural projects and programmes that cross Dublin City Council and the six County Councils of Dun Laoghaire / Rathdown, Fingal, Kildare, Meath, South Dublin and Wicklow. The existing local authority structure should continue, as projects and programmes require support and delivery at a local level. The role of the office of the Mayor is to satisfy the requirement for a more co-ordinated strategic approach to be taken at regional level to efficiently and effectively address the issues which span the Greater Dublin Area.

The White Paper should define the geographical remit of the Mayor to include the Greater Dublin Area, mimicking that of the DTA, as we believe the challenges facing the Dublin City Region cross the borders of all four counties.

Financing

The Green Paper states that "the need for proper funding of local government is recognised. Autonomy in fund raising increases local discretion and accountability. However, there is little consensus on how best to achieve such autonomy. This is an issue which will receive in depth analysis in the context of the recently established Commission on Taxation, which is to consider the issue of local government financing." The decision to solely assign the responsibility of addressing local government financing to the Commission on Taxation is a grave disappointment. By side-stepping the issue of financing in this Green Paper and offering no insight into the financial package and responsibility power being proposed, it is impossible to comment meaningfully on plans for a Mayor for Dublin and local government reform in Dublin.

We believe that the creation of the office of Mayor should coincide with a change in the administration of taxes, to create a direct linkage between local service

usage/benefits and local taxes. If revenues that are raised in an area are spent in the area, then 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.

The tax revenue base of local authorities should be broadened to include properties not currently rated (including state-occupied property and non-principal private residences) and through re-evaluating the Needs and Resources model.

Management

Efficiency

Efficiencies should be pursued by local authorities in conjunction with the new office of the Mayor through the use of more modern procurement methods, the further exploitation of the 'shared services' model and the elimination of duplication.

Responsibilities

The Green Paper states that "detailed consideration will need to be given to the administrative and institutional supports necessary for the proper functioning of a mayoral office in Dublin.... The managerial system has served Irish local government well and local authorities will continue to rely on professional managers to provide impartial, professional administration and guidance. It is suggested, however, that mayors might be assigned certain key powers of initiative and that, over time, their role in overseeing the work of the local authorities, local development agencies and national agencies at local level should evolve further." Dublin Chamber is disappointed with the lack of detail in the Paper on how exactly the new office will interact with existing structures.

The responsibilities of the Mayor should include transport, planning and land use, infrastructure provision (waste management facilities, water provision and waste water services) and economic development. The Mayor should also be responsible for creating a clearly defined, over-arching strategy for the Dublin City Region which shall foster competitiveness and plot positive, integrated and coordinated regional development over the next twenty years and beyond. This strategic vision must learn from, and redress, past failures to integrate land use and planning during the piecemeal delivery of transport, social and economic infrastructure, and ensure that all future developments are planned and delivered in a coordinated holistic fashion.