

PUTTING POWER BACK IN COMMUNITIES

**Labour Party proposals on
Local Government Reform**
May 2024

Labour 

INTRODUCTION

It is 125 years since the first local elections in Ireland but never have we more needed fundamental reform of local government to provide new powers for Councillors and rebalance public administration in favour of communities and local decision making.

Our system of local government is one of the most centralised in Europe ranking at, or near the bottom of the European Local Autonomy Index, just above Hungary, Russia and Moldova. Meanwhile government legislation continues to remove more powers from local authorities.

The long process of concentrating power and responsibility in government Departments and national agencies (agencification) has stripped local authorities of functions, slowed down decision making and made public administration more distant from communities. In parallel, the direct provision of services by councils is being run down, reducing capacity, and leaving councils reliant on contractors and outsourcing for basic services.

This is why Labour would implement proposals to devolve more responsibility, reserved functions, and resources to locally elected Councillors. We believe the decisions that affect you locally should and could be made there, rather than in centralised Departments and agencies.

Labour would seek to embed the principle of subsidiarity in national policy making to ensure decisions are made at the right level and introduce a statutory duty to consult Councillors before making any changes to their reserved functions.

Centralisation under the current government continues. Over the last eight years even more restrictions have been placed on the role of Councils and Councillors in planning and development policy with the growing use of Ministerial planning guidelines, and rigid national and regional planning frameworks. The current Planning and Development Bill progressing through the Oireachtas will weaken the role of Councillors further when it should be a core competency of local government. Another example is the proposed creation of the Childcare Ireland agency which will abolish 30 local City and County Child Care Committees (CCCs) rather than devolving greater power to CCCs to oversee and administer early years services locally.

Our Labour reform proposals are not exhaustive and should be seen as the first step in what would be a continuous process of devolution. This will require a dramatic change in the mindset of government Departments so that the first thing that comes to mind with any policy change is "Should this decision be made here, or should a local authority be making it?".

Labour supports the policy reforms that have been proposed by the trade union 'More Power to You' campaign, and by the Association of Irish Local Government (AILG). Those calls are echoed in these proposals. The Seanad Public Consultation Committee has also held a series of meetings on the Future of Local Government where many valuable ideas have been aired. Before any comprehensive programme of measures to transform local government would begin, Labour is committed to holding an extensive public consultation on the proposed programme of reform, and a national dialogue with Councillors and other stakeholders before finalising any proposals.

Priority Local Government Reforms

- » Introduce more directly elected Mayors starting with Dublin, Cork, Galway and Waterford, by building on the Limerick model with increased devolved powers.
- » Give Councillors more control over the budget and finances of their council, including the ability to raise their own discretionary revenue from sources like hotel beds and vacant property.
- » Restore town councils for all defined urban areas with a population greater than 5,000, and over 1,000 dwellings to strengthen local democracy.
- » Oppose the current Planning and Development Bill, return stripped planning powers to local authorities, and introduce effective planning reform.

Other Key Labour Proposals

- » Change the imbalance of power between the Executive, and elected Councillors to address the democratic deficit in decision making.
- » Devolve control over investment projects to Councillors in areas such as housing, climate adaptation and transport, and delegate responsibility for delivery to local authorities to reduce bureaucracy.
- » Provide Councillors with stronger powers to initiate and deliver housing and urban renewal projects, CPO vacant and derelict sites, and improve transport services.
- » Rebuild direct capacity in areas such as road and housing maintenance by employing more general operatives and skilled craft workers.
- » Designate Local Authorities as Energy Authorities with increased responsibility for addressing energy poverty, retrofitting, and district heating.
- » Embed the principles of Community Wealth Building into local economic development, through progressive procurement, insourcing, the use of land and property, and more inclusive and democratic ownership of local economies.
- » Make Community Development a core function of local authorities, with increased responsibility to allocate budgets, co-ordinate activity, and pursue new initiatives, working with the community and voluntary sector.
- » Develop proposals to ringfence a portion of the national policing, community health and social care budgets for allocation by local Councillors who would also be given responsibility for approval of local service plans.
- » Review the commercial rates system to ensure a long-term sustainable model, with an examination of a site value tax as a replacement revenue source.
- » Introduce a legal requirement to consult with local Councillors and their representative bodies before making any changes to their reserved functions.
- » Place Area Committees in Dublin, Cork and Galway on the same statutory footing as Municipal Districts.
- » Re-municipalise waste collection as a public service and protect public ownership of our water infrastructure in our constitution.

WHAT WENT WRONG IN LOCAL GOVERNMENT?

Recurring themes in proposals and policies about local government reform in Ireland have included:

- Geographical restructuring.
- Greater financial resourcing and autonomy.
- Governance and management reforms.
- Changes to functional responsibilities.
- An enhanced developmental role for local authorities.

Local authorities in Ireland are responsible for the provision of public services and facilities such as housing, planning, roads, environmental protection, fire services, and maintaining the electoral register. Councils also play a significant part in supporting economic development and enterprise at a local level.

Devolution has not been a priority in local government reform. Ireland remains overly centralised in contrast with other developed European states where local government plays a far more developed role in areas like education, public transport, primary healthcare and social care.

The recent Council of Europe report on Irish local government noted that the extent of the administrative supervision of local government is not proportional to the importance of the interests which it is intended to protect. Supervision is generally extensive and detailed. This neatly summarises the micro-management by the Custom House, and the lack of local discretion.

For example, local authorities represent significant public investors, carrying out more than half of public investment. Investment is one of their main functions, even though they often act on behalf of the central government to implement national investment programmes with little input for Councillors into decision making. Labour would seek to change this.

The functional responsibilities of local government in Ireland have changed over time, with some transfer of responsibilities upwards to higher levels and with some minimal devolution of responsibilities to local level. Some functions have been transferred to national bodies, such as water supply and wastewater treatment transferring to Irish Water, though service level agreements are in place. The creation of the HSE and Tusla as replacements for health boards has seen local Councillors lose influence in key areas of health and social policy.

Agencification has been a wider trend, with specific tasks being transferred to semi-autonomous national agencies, such as the Road Safety Authority (RSA), Transport Infrastructure Ireland (TII), Student Universal Support Ireland (SUSI) or the Environmental Protection Agency (EPA).

Local government has taken on a more active role in areas such as local economic development and enterprise. Councils now also play an enhanced role in areas such as social inclusion and in local policing through joint policing committees (JPCs) established in 2006.

However, JPCs have now been changed into Community Safety Partnerships, and the role of democratically elected Councillors have been diluted even further ceding power to the Department of Justice, the Council Executive and An Garda Síochána. Labour would rebalance this.

Councils and Councillors still have a limited role in climate change adaptation and mitigation mostly through service areas and budget lines from housing, roads and transport, environment, and spatial planning. Much of this is influenced by national policy priorities. Under the Climate Action and Low Carbon Development (Amendment) Act, each council now prepares and adopts a local authority climate action plan that will be valid for five years, and then updated periodically. They are supported by four Climate Action Regional Offices (CAROs) in this work. Labour believes Councillors need to have more control over the projects and policy responses in these welcome plans.

The Covid-19 pandemic saw a strong role taken by Councils in supporting small businesses and through the 'Community Call' initiative, setting up local community response forums and helplines, as well as working with the voluntary sector in mobilising local responses. Labour believes the role of local authorities in community development can be greatly strengthened to address the precedence often given to economic development over resolving longstanding issues in our communities.

A concerning recent development is the movement away from direct service provision towards contractor outsourcing. Most notably this happened with waste collection but is now also established practise in housing delivery and maintenance, road maintenance and other services. Conversely the trend towards a greater use of shared services whereby neighbouring local authorities pool their resources is welcome. Irish local authorities' role as public employers is very low, with staff costs representing 30% of expenditure. There are about 31,000 local authority staff across the country, but this is still down from over 38,000 in 2008. Clearly the level of staffing needs to grow to improve service delivery.

While local government has stepped away from delivery in some areas, there may be areas where new demands emerge that require a public policy response. This does not always mean direct delivery by local government but should always mean ensuring that delivery occurs. We've seen this in childcare provision where a market-based approach was favoured in the recent past, and such choices ultimately come down to national political decision-making. The current government instead of devolving more responsibility to local authorities for childcare, will instead centralise the weak existing structures into a new national body, Childcare Ireland, to support childcare providers. This reflects a recurring tendency to establish national single-purpose agencies to address what are often highly localised issues and services where circumstances and demand differ greatly across localities.

Apart from the introduction of directly elected Mayors in 2019, the last significant reforms were in 2014, with town councils merged into municipal districts across 31 local authorities. The local property tax became a source of revenue, with some other changes to Councillor powers on planning, and the appointment of the Chief Executive.

CURRENT LOCAL GOVERNMENT STRUCTURE

Compared to other EU countries, Ireland has large local authority jurisdictions, with an average population of nearly 159,000 per council. All but six local authorities in Ireland are subdivided into municipal districts. Councillors simultaneously represent the municipal district and the local authority.

There are 31 local authorities in Ireland, consisting of 26 County Councils, three City Councils and two City and County Councils. Within these, there are 95 municipal districts. There are 949 councillors in Ireland, with numbers ranging from 18 to 63 per local authority. There has been no review of the number or distribution of Councillors in Ireland since 2014, despite the population increasing by over 14% in that time.

There is also a tier of three regional assemblies, but these have no direct democratic mandate, with members appointed from Councillors elected to local authorities in the region. Their purpose is to co-ordinate, promote and support strategic planning and sustainable development, and manage certain EU funding programmes. Labour would seek to review and restructure these. As a first step, as part of proposals for a directly elected Mayor for Dublin, there should be a Dublin City and County Assembly covering the region as recommended by the Citizens' Assembly.

The Labour Party supports the following structural reforms:

- Restore Town Councils for all defined urban areas with a population greater than 5,000, and over 1,000 dwellings.
- Designate area committees in Dublin, Cork and Galway on the same statutory footing as municipal districts.
- Review and restructure regional assemblies as part of proposals to establish a directly elected Mayor for Dublin.

LOCAL AUTHORITY ADMINISTRATION

Local government functions are divided into reserved and executive. The reserved functions are under the authority of the elected members, whereas the chief executive is responsible for the performance of executive functions.

Councillors have both a legislative/policy role where they are responsible for the formulation of policy (though generally not the implementation, which is the mandate of the chief executive); and then an advocacy/representative role where they represent their constituents, who are residents and groups within their ward, and advocate for them on the issues they raise.

Reserved functions cover key decisions such as power to determine the policy of the local authority, make land-use plans, enact bylaws, and adopt the annual budget.

Section 140 of the Local Government Act 2001, as amended, also confers upon the council the power to direct - in limited circumstances - the chief executive in the performance of executive functions. Executive functions include delivering on strategic objectives as set out in the corporate plan, administering schemes, allocating grants, and managing staff.

The chief executive has responsibilities and a very significant influence in the policy areas of transport, social housing, and economic development.

This mixture of functions was, in the 2013 monitoring report of the Council of Europe's Congress of Local and Regional Authorities, characterised as "a system of local government that is a combination of local self-government and state administration offices under 'one roof'".

The Labour Party supports the following administrative reforms:

- Change the imbalance of power between the Executive, and elected Councillors to address the democratic deficit in decision making.
- Reduce the range of decisions a Chief Executive can make without reference to elected representatives, and ensure Councillors have access to independent legal advice.
- Introduce a legal requirement to consult with local Councillors and their representative bodies before making any changes to their reserved functions.
- Ensure Councillors have access to local authority management and staff in relation to their representative role; and are provided with appropriate training and supports. This should include detailed explanation of their powers, functions and responsibilities.
- Provide increased resources for Councillors to balance their workload, along with specific programmes and tailored supports to increase representation from women, persons with disabilities, and those from minority backgrounds.
- Rebuild direct capacity in road and housing maintenance, and climate mitigation by employing more general operatives and skilled craft workers.

WHAT NEEDS TO CHANGE

The range of functions of Irish local government is more limited than in practically all other European Union countries, especially on welfare functions. As already outlined, over the years, many responsibilities have been removed from local government.

There is a long running distrust in central government in the ability of local authorities to carry out these functions in an effective and efficient way, that can be summarised as a view that Councillors focus too much on the parochial, instead of making necessary strategic decisions.

The roots of the relatively centralised system in Ireland can be traced back to the foundation of the State, and the civil war, with centralisation a means of curbing the influence of those not in government, and as a way of reducing the risks for corruption and nepotism at local level.

The position of local government is weaker in Ireland than in almost all other European countries. It has a more limited set of functions, represents a smaller share of public affairs, and can only marginally influence the size of its resources. The strong position of the chief executive also limits the role of the elected representatives.

The limited range of functions and the low central government trust in local government is reflected in the local government share of the public sector, which amounts to about 8% of total public expenditures. This is among the smallest within the European Union and far below the EU average of 23.3%, but Irish local government has only minimal responsibility in welfare sectors such as health, education or policing, which are financed by local government in many European countries.

The local autonomy index has been developed as a measure of the state of local self-government across Europe, and provides a basis for comparison between countries, and over time. Irish local government has one of the lowest scores, with a rank only just above Hungary and Moldova. On a scale from 0 to 100, Ireland has an average score for the period 2015-20 of 42, compared to an average of 57 among all investigated countries. The scoring is low on practically all dimensions of the index and has remained the same over time.

That is why the Labour Party believes now is the time to look at what functions and powers can and should be devolved to local Councillors. The following list of measures would inform a package of local government reforms that Labour would seek to implement following extensive consultation and engagement with the public and local communities, Councillors, public agencies, and central government.

The Labour Party would seek to:

- Devolve control over investment projects to Councillors in areas such as housing, climate adaptation and transport, and delegate responsibility for delivery of projects to local authorities to reduce bureaucracy.

- Provide Councillors with stronger powers to initiate and deliver housing and urban renewal projects, CPO vacant and derelict sites, and improve transport services.
- Designate Local Authorities as Energy Authorities with increased responsibility for addressing energy poverty, retrofitting, and district heating.
- Embed the principles of Community Wealth Building into local economic development through progressive procurement, insourcing, the use of land and property, and more inclusive and democratic ownership of local economies.
- Give local authorities a statutory responsibility to support, grow and promote co-operatives in areas such as housing, care, childcare and other public goods, alongside other social enterprises.
- Make Community Development a core function of local authorities, with increased responsibility to allocate budgets, co-ordinate activity, and pursue new initiatives, working with the community and voluntary sector.
- Develop proposals for how to ringfence a portion of the national policing, community health and social care budgets for allocation by local Councillors.
- Give oversight of local community policing to Councillors through reformed Community Safety Partnerships, including approval of local policing plans.
- Make the National Transport Authority more accountable to local authorities and devolve transportation powers to local Councillors.
- In rural areas, designate the Council as a transport authority to ensure adequate local provision of services.
- Ensure national public agencies that make decisions that impact on local people are accountable to local Councillors.
- Re-municipalise the waste collection system and protect public ownership of our water infrastructure in our constitution.
- Cultivate a place-based approach to systems change where the differentiations made around an issue, need, or population cohort are re-integrated through the fulcrum that is place. This would promote a better balance by collaborating horizontally around place, as much as, vertically within sectors.

LOCAL GOVERNMENT FINANCING

The Labour Party believes the financial independence of local councils in Ireland must be strengthened, while also encouraging Councillors to be responsible and retain what they can raise with any new discretionary revenue raising powers. Local government in Ireland is financed through several sources. Of its current income in 2022, 40% came from government grants and subsidies; goods and services accounted for 25%; business property tax (commercial rates) for 28%, and the residential Local Property Tax for 7%.

Councils can change the rate of the LPT by up to 15%, though the basic rate is set by central government. Of the LPT revenue collected in an area, until recently, 80% was reserved to the local authority itself and the rest was allocated by national government for equalisation purposes. From 2023, 100% of the estimated yields is retained locally and resources for equalisation will instead be provided by central government. However local authorities in Dublin instead of benefiting from an increase in revenue have had their central grants reduced. This practise of giving with one hand, while taking with the other leads to no real increase in autonomy or discretion in what projects or initiatives Councillors can fund.

The transfers from central government to local government are mainly conditional for specific purposes. Unconditional transfers account for less than 10% of total current transfers. Local government capital expenditure is financed largely by central government grants, internal capital receipts (for example development levies, sale of property, etc.) or borrowing. Local authorities can only borrow after the approval of the minister in charge of local government affairs.

A key principle of local government reform in Ireland must be that councils have greater local control of their finances and more discretion for local priorities. Labour would as a first step convene a National Forum on the Financing of Local Government with political representatives and other stakeholders to consider and report on options and reforms for increasing the financial autonomy of local Councils. We believe in the need to look at other countries where for example some tax revenue from income tax or VAT is allocated directly to local government.

The Labour Party would seek to:

- Introduce a legal guarantee that all of the Local Property Tax raised in a local authority will be retained there independent of other revenue streams from central government, so that there is a real net benefit.
- Allow local authorities to increase the LPT by more than 15%.
- Devolve authority for more discretionary revenue raising powers such as:
 - √ The power to introduce tourist levies (eg. Hotel bed taxes) for funding local infrastructure and cultural services.
 - √ The ability to increase the level of vacant home or derelict site taxes.
- Ensure that revenue raised from the national Vacant Homes Tax and Residential Zoned Land Tax are allocated to the council it is collected from.

- Review the system of commercial rates and taxation of business properties and develop proposals for a site value tax as a potential replacement.
- Ensure grants from central government are distributed on fair, evidence-based criteria with clear explanations for how allocations are made.
- Devolve dedicated budgets for local measures in policing and health to local authorities so that Councillors decide on spending priorities.
- The allocation and awarding of local sport capital and community grants should be devolved to local authorities rather than controlled by central Departments.
- Government Departments and agencies should pay commercial rates for properties they control as was the case until the 1980's.

DIRECTLY ELECTED MAYORS

The long-delayed direct election of a Mayor in Limerick will occur in June 2024. Labour would seek build on the Limerick model by strengthening the office with enhanced powers over the budget, finances and borrowing, and devolve greater responsibility over other policy areas as previously outlined.

The Dublin Citizens' Assembly recommended a plebiscite be held on the proposal for a directly elected mayor. The Citizens' Assembly also recommended that a directly elected mayor of Dublin should be responsible for oversight of 15 policy areas including homelessness, housing, community healthcare, transport, the environment, and emergency services. The Dublin Mayor should also have the authority to raise revenues and to borrow, along with the ability to introduce new regulations and to convene meetings with local and national agencies. These combined functions would provide for substantially more power than those granted in Limerick.

The government have postponed holding a Dublin plebiscite, once again kicking the issue to touch. Labour would commit to holding it within two years of entering government after publishing draft legislation for the establishment of the role.

Proposals for a DEM in Cork City, and Waterford were rejected in 2019 however very little was known about how such Offices would function. Labour would also propose to hold new plebiscites there, and in Galway.

In the interests of balanced and sustainable regional development, Labour also recognises that our very largest towns should be considered for 'city' status, and we would reform the local government system to clearly establish the criteria for designating such status, and the local boundaries for such urban areas. A model should also be developed for extending DEMs beyond the main cities to larger towns.

Labour would:

- Strengthen the powers of the Limerick directly elected Mayor.
- Hold a plebiscite to establish an Office of Mayor for Dublin, based on the proposals from the Citizens' Assembly.
- Hold plebiscites in Cork, Waterford, and Galway for a directly elected Mayor, based on a strengthened Limerick model.
- Provide a statutory basis for designating large towns as cities and develop a model for rolling out directly elected Mayors in larger towns.

PLANNING AND DEVELOPMENT

Good planning is at the heart of well-functioning communities, and Ireland has suffered for too long from poor practices that have inhibited the creation of thriving urban areas. In Ireland we have planning policy now dictated by the Minister and Department officials, overly influenced by developers and speculators, instead of the people who will have to live in the resulting developments.

Over the last eight years, decisions by Fine Gael and Fianna Fáil have removed more powers from local authorities, and centralised planning and development decisions with disastrous consequences, as seen most recently with Strategic Housing Developments and the damage to the reputation of An Bord Pleanála. Many, including Labour warned that these would be a disaster.

Since then, under various guises, further powers have been stripped such as the temporary suspension of the reserved function of Councillors to approve local authority housing developments, and the removal of approval for disposal of council owned housing lands in large urban areas if it is to the LDA.

The increased use of mandatory guidelines issued by the Minister to local government as planning authorities that they must “have regard” to has weakened local democracy and oversight of planning.

The Planning and Development Bill currently going through the Oireachtas is taking the wrong approach, strips more responsibilities, and will likely result in further uncertainty. It will strengthen the legal status of ministerial guidelines, which will be upgraded to national planning policy statements and associated national planning policy guidance. A survey of planners by the Irish Planning Institute published in February 2024 found that nearly 80% believed the new law is not fit for purpose.

The government’s key aim with the Bill is to increase the efficiency and speed of the development consent process through centralising power and restricting judicial access to remove perceived impediments to housing development.

This is based on the premise that judicial reviews are causing significant delays in housing projects, but we know that is not the case. Only around 1% of the c.30,000 planning decisions made every year are judicially reviewed and around 3.65% of An Bórd Pleanála decisions.

The Bill restricts access to public participation and to judicial review in planning putting it in conflict with international and EU legal principles and obligations concerning access to justice. It does so through centralising further power in the planning system in undemocratic ways.

Judicial review of planning decisions is already subject to a more restrictive regime than other administrative decisions, and despite this, most judicial reviews are won by the applicants. The issues in planning are a result of poor planning and legislative decisions, under-resourcing, excessive centralisation through Specific Planning Policy Requirements and the inadequacy of An Bórd Pleanála which was not resourced for the functions bestowed on it.

The Bill proposes that Development Plans would be for a period of ten years instead of six. This will reduce again the opportunity for local communities and their elected Councillors to have input in plans. The present system of six-year Development Plans means that some part of the process would take place on each council term. Moving to a ten-year period would mean that may no longer be the case.

Development Plans are also being reduced in focus to remove the current practice of including Policy Objectives. This will mean that the public are limited in what they can submit. Local Area Plans are also being removed.

In general, the Bill places a strong emphasis on requiring compliance with Government policy, irrespective of the views of the council. This strengthens the already too high centralised control over local government. The level of centralisation under the current system of local government has already been repeatedly criticised by international monitoring bodies, such as the EU's Committee of the Regions and the Congress of Local and Regional Authorities.

Labour would pursue the following planning reforms:

- Oppose the current Planning and Development Bill, seek to amend it, and if passed into law commit to review it to return functions to local authorities, and restrict Ministerial commands.
- Introduce use it or lose clauses for developers who sit on planning permissions and increase existing enforcement penalties.
- Refuse planning permission to developers who have abused the process in the past such as failing to finish off housing developments.
- In the next government, seek a transformational overhaul of the planning and development process in Ireland through a Green and White paper process consistent with the principle of subsidiarity.
- Ensure that the lessons from the scandals of defective concrete and construction defects in apartments and homes result in stronger building regulations, and increased enforcement powers for local authorities.

RESTORATION OF TOWN COUNCILS

Town and Borough Councils were abolished under the Local Government Act 2013, with municipal districts to act as replacements. Labour has concluded that this was a mistake and has not worked as well for our towns as intended. New structures such as Town Teams and Town Centre management groups have little democratic oversight.

Municipal districts do not have the dedicated focus on town development, and they often have much larger areas under their responsibility. This change has meant a loss of staff in towns to carry out for example, maintenance and repairs, which slows down the response time to local needs.

The lack of an elected town mayor has also led to a loss of leadership for the development of towns and a loss of a known, local figurehead to preside at ceremonies and to promote tourism and cultural events.

The Labour Party published a bill in 2018, the Local Government (Restoration of Town Councils) Bill which has been blocked at committee stage since, and would:

- define a town (a 'qualifying built-up area') as having 1,000 or more dwellings occupied by at least 5,000 residents and having a clearly defined urban centre.
- repeal sections 23 to 34 of the Local Government (Reform) Act 2014, which abolished town councils.
- make each town council the local authority of its town, and a rating authority.
- allow for elections of nine councillors to towns with a population between 5,000 and 25,000, and for 15 councillors to towns where the population of the town exceeds 25,000.
- provide that every enactment that previously applied to the old town councils before their dissolution would apply to new town councils established under the bill.

This would ensure that over 80 towns would have a new council established, including some that never had a town council before.



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