

2nd Interim Report of the Expert Advisory Group on Local Government Arrangements in Galway

26th April 2018

Chairperson's Foreword

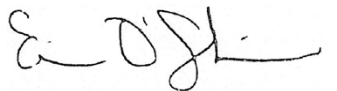
Dear Minister,

I am delighted to present to you the second Interim Report of the Expert Advisory Group on Local Government Arrangements in Galway. In the first phase of our deliberations, we explored the administrative and technical challenges associated with amalgamation, while we focused on governance and representational issues in the second phase of our work. We did not identify any technical or administrative obstacles to amalgamation in our first phase of work, but in meeting with elected members and staff during our second phase, the revenue underfunding of both authorities, particularly Galway County Council, in addition to staffing constraints, relative to their comparators was strongly impressed upon us

Based on this constructive and informative engagement with elected members and staff, and subsequent analysis of comparative figures, the Expert Advisory Group unanimously agreed that the revenue funding of both authorities requires urgent and substantial adjustment upwards towards the current average for comparator authorities.

Thus, to ensure a successful amalgamation, the relative revenue underfunding must be addressed in the first instance, which in turn will assist in addressing gaps in human resource availability. We also recommend that prior to moving to an analysis of remaining considerations as set out in our terms of reference, and any implementation phase, that a Ministerial decision on amalgamation be issued to remove the current uncertainty that prevails in relation to the future local government arrangements for Galway County and City.

We are happy to meet with you at the earliest possible opportunity to discuss our recommendations at this juncture of our work.



Professor Eoin O'Sullivan, April 2018

Executive Summary

The Expert Advisory Group endorses and confirms the recommendation set out in the *Galway Local Government Review Committee Report*, that an amalgamation of Galway City and County Councils will maximise the potential of the region to maintain, secure and grow a sustainable economic base into the future. Since the publication of its first interim report in June 2017, the Expert Advisory Group has continued its work, and based on its ongoing deliberations, have not found reason to vary from the original recommendation of the *Galway Local Government Review Committee*.

The Advisory Expert Group is unanimous in its view, that the amalgamation of the two authorities, subject to adequate human and financial resources being made available, is required to drive the development of Galway, in the context of its regional, national and international remit.

We believe that it is now all the more urgent that this happens given the prospects for Galway under PI2040, the National Planning Framework to capitalise on the funding opportunities that will be offered by the Capital Programme.

The Group notes the significant revenue underfunding of the Galway local authorities relative to comparators, in addition to staffing constraints in key areas. On the basis that the existing resources available to both organisations are not commensurate with realising the vision of an effective amalgamated authority, **the Expert Advisory Group recommends that the existing deficiencies in respect of both the human and financial resources be expeditiously resolved as an essential prerequisite to the amalgamation process.**

The Expert Advisory Group recognises that its work requires further consideration of the remaining Terms of Reference, the process of implementation, and further consideration of the issues of concern raised in the consultations. The Group notes that considerable uncertainty and speculation remains in relation to the

recommendation of the *Galway Local Government Review Committee* that the two authorities be amalgamated. To address this speculation, and to give the Expert Group a solid and secure base for its next phase of work, **we recommend that a Ministerial decision be taken on the recommendations to-date. We further recommend that if such a decision is taken, the decision should be legislated for as a matter of urgency to give the certainty required for the remaining work to be completed.**

Furthermore, should the Ministerial decision on the recommendation to amalgamate be taken, the legislation should set out a timeframe for the amalgamation of the two authorities, which we recommend should happen no later than 2021. **We recommend that elections to the two existing local authorities, as currently constituted, should take place in May 2019 as scheduled.** We also recommend, that on the date determined for amalgamation that the combined membership of Galway City and County Councils become a unified Local Authority and that the Local Government Elections in 2024 be held as a combined authority of appropriate membership.

1. Introduction and background

1.1 Establishment and membership of the Expert Advisory Group

1.1.1 In January 2015, the then Minister for Environment, Community & Local Government announced a review of local government arrangements in Galway, and established a committee to undertake the review. The report of the *Galway Local Government Review Committee*, submitted to the Minister in November 2015, concluded that, on balance, the establishment of an amalgamated Authority combining Galway City Council and Galway County Council, would maximise the potential of the region to maintain, secure and grow a sustainable economic base into the future. The report also recommended the establishment of an expert advisory group to undertake a detailed technical review for this proposed unified authority.

1.1.2 The recommendations of the 2015 report of the *Galway Local Government Review Committee* received strong support from a wide range of stakeholders, but were opposed by a majority of councillors from both councils.

1.1.3 In December 2016, the Minister for the Housing, Planning, Community and Local Government established an *Expert Advisory Group* to carry out further detailed examination and planning arising from the report of the Galway Local Government Committee in relation to future local government arrangements for Galway.

1.1.4 The main functions of the Group as set out in the terms of reference are to:

- a) undertake further detailed and rigorous examination and technical analysis in relation to the implications of the recommendations of the 2015 report;
- b) provide an assessment of the recommendations of the 2015 report, including likely costs and benefits, in light of the examination and analysis at (a);
- c) provide, in light of the assessment at (b), detailed information and recommendations regarding the implementation of the recommendations of the 2015 report and of any further recommendations at (d), the arrangements

and measures necessary for that purpose and relevant timescales in that regard;

- d) in the event that the Group concludes, on the basis of its detailed and rigorous examination, that the recommendations of the 2015 report should be supplemented or varied, indicate the reasons for this and provide relevant recommendations in that regard;
- e) report to the Minister in relation to the foregoing matters as required by the Minister, or as the Group considers appropriate.

1.1.5 The full terms of reference are set out in Appendix 1. The members of the group are: Professor Eoin O’Sullivan, Head of the School of Social Work and Social Policy in Trinity College Dublin (chair); Ms Hannah Kiely, former CEO at HC Financial Services¹; Mr Ned Gleeson, former Manager of Limerick and Tipperary (South) County Councils; Kevin Kelly, Chief Executive Galway County Council; and Brendan McGrath, Chief Executive Galway City Council.

1.2 1st Interim Report the Expert Advisory Group

1.2.1 The Expert Advisory Group in their 1st Interim Report submitted in May 2017, following extensive input from senior managers from both councils, determined that the establishment of an amalgamated Authority was technically and administratively feasible. It further found that an amalgamation would achieve considerable efficiencies in terms of service delivery but it would be largely cost neutral with no significant financial savings given that while some service areas would show limited cost savings, the potential for additional costs was highlighted in others.

The 1st Interim Report concluded that Departments in both authorities are currently under resourced and that the level of resources available to both the City and the County is not sufficient to achieve the ambition for Galway set out in the *Galway Local*

¹ Ms. Kiely stepped down from Expert Group in May 2017.

Government Review Committee Report, noting that demand for services is growing rather than reducing. Therefore notwithstanding the capacity of an amalgamated authority to offer the potential of organisational efficiencies, and a critical mass from combined use of resources (human, financial and ICT) allowing more efficient deployment of staff, these positive outcomes must be considered against the backdrop of the current level of staffing constraints in key areas to meet the needs that already exist in both City and County.

The overall objective of an amalgamated authority is to deliver on existing potential, to provide an enhanced opportunity to respond in creative ways to the unique challenges and opportunities that exist, to be a driver of regional development, to avail of the opportunities for enhanced economic development and enhanced delivery in priority areas such as housing, as well as the opportunity for a more strategic approach to service development across a range of activities.

Thus, the Expert Advisory Group endorses and confirms the recommendation set out in the *Galway Local Government Review Committee Report*, that an amalgamated Authority combining Galway City Council and Galway County Council, will maximise the potential of the region to maintain, secure and grow a sustainable economic base into the future. While it is envisaged that the amalgamation of Galway City and County Councils will achieve more in an amalgamation than working as two separate entities, in this 2nd Interim Report, the Expert Advisory Group reviewed the financial and human resources available to a unified authority to determine if the amalgamated authority would have the capacity to deliver on Galway's potential, to play the lead role envisaged for Galway in the National Planning Framework, to be in a position to capitalise on funding opportunities offered by the National Planning Framework and the Capital Programme and have the capacity to engage in activity, such as capital development funded by borrowings.

2.1 Human Resources

The Performance Indicators for Local Authorities for 2016 published by the National Oversight and Audit Commission (NOAC) includes data on the staffing whole time equivalent, of each local authority.

In respect of staffing numbers the figure for Galway County Council is 751.40 WTE or 4.2 staff members per 1,000 population. This staffing complement does not compare favourably with the staffing level of the most comparable counties, being those with a similar population and geographic area, which have a ratio of between 5.6 and 7.3 staff per 1,000 population. If Galway County Council had a staff level equal to the average of its comparators it would have a significantly increased staffing complement.

When the staffing levels of the City and County are combined the total staffing level is 4.5 staff per 1,000 population. The comparator figure for other previously merged authorities is between 5.5 and 6.7 staff per 1,000 population. If these staffing ratios applied in Galway an amalgamated authority would merit an increase in numbers relative to the comparator authorities set out above resulting in a significant increase in the staff complement. While such an increase in staff is not achievable in the short term it is clear that the current level of staffing needs to be addressed in a meaningful and structured way, with a clear timeframe, to enable an amalgamated authority to meet the challenges and deliver on the vision.

3.1 Financial Resources

The Local Government Sector is recognised as having delivered significant savings and efficiencies in the period since the economic downturn. Both Galway County and City Councils have delivered their share in this regard with their revenue budgets reducing significantly in the period between 2008 and 2018

In 2018 Galway City Council has a revenue budget of €78.2m or €994 per person, down from €1,312 in 2008, while Galway County Council has a revenue budget of €112.3m or €626 per person, down from €1,004 in 2008. An amalgamated authority, based on current levels of revenue funding, would have a revenue budget of €738 per capita which does not compare favourably with the €1,000 per capita available to comparators leaving an amalgamated authority significantly underfunded. The Expert Group note that there has already been engagement with the Department of Housing, Planning and Local Government on this relative underfunding issue.

The Expert Group has highlighted this issue as the Group has concluded, from the evidence considered by them, that the current level of human and financial resources available to both Galway City and County Councils falls short of that available to comparable authorities and is insufficient to deliver on the role envisaged for Galway as an economic driver for the West.

It is in this context, and within our mandate to make recommendations on the future arrangements for local government in Galway, that we highlight this issue. We believe that addressing these shortfalls is essential to deliver on the vision for an amalgamated Galway Authority and the potential of Galway including the key role envisaged for it under the National Planning Framework and the Capital Programme. *Therefore the Expert Group believes that the amalgamation of Galway City and County Councils must be preceded by the addressing of the existing deficiency in respect of both the human and financial resources available.*

4.1 Political and Executive Leadership

The consolidation of Local Government arrangements in Galway will provide an opportunity for enhanced leadership at political and executive level. *Project Ireland 2040: The National Planning Framework*, tasks Local Government to create a single shared vision for Local Government areas. It is necessary for the effective delivery of the National Planning Framework that there is a single vision for Galway if the benefits of the investment under the National Development Plan are to be realised. Each Local Authority is required to provide leadership and ambition for its area. This can be done to the greatest effect where there is a single, unified vision at Representational and Executive level.

Local Government has demonstrated leadership and change with the implementation of the 2014 Reform Act and a new emphasis on community and economic development. The mergers of Limerick, Waterford and Tipperary has positioned those Local Authorities to deliver on the significant new functions in terms of economic development and strengthened governance for their areas. The challenge for Galway is to deliver on its regional and national remit and responsibility, as well as its international developmental potential. A single Local Authority will be in a stronger position to deliver on the ambitions of local communities and businesses, which is a key leadership function for the Council.

At Representational level, the structure of Municipal Districts must be strengthened and their full potential must be explored and resourced for the efficient delivery of defined representation and local services to communities and businesses.

5.1 Implementation Recommendations

The Expert Advisory Group endorses and confirms the recommendation set out in the *Galway Local Government Review Committee Report*, that amalgamated Galway City and County Councils will maximise the potential of the region to maintain, secure and grow a sustainable economic base into the future. Since the publication of its 1st interim report in June 2017, the Group has continued its work, and based on our ongoing deliberations, has not found reason to vary from the original recommendation of the *Galway Local Government Review Committee*.

The Expert Advisory Group is unanimous in its view, that the amalgamation of the two authorities, subject to adequate resourcing being made available, is required to drive the development of Galway, in the context of its regional, national and international remit.

We believe that this is now all the more urgent, given the prospects for Galway under the National Planning Framework to capitalise on funding opportunities that will be offered by the Capital Programme.

The Expert Advisory Group notes the significant underfunding of the Galway local authorities relative to comparators, in addition to staffing constraints in key areas. On the basis that the existing resources available to both organisations are not commensurate with realising the vision of an amalgamated authority, **the Group recommends that the existing deficiencies in respect of both the human and financial resources be expeditiously resolved as an essential prerequisite to the amalgamation process.**

The Expert Advisory Group notes that its work requires further consideration on the process of implementation in addition to addressing the remaining elements of the Terms of Reference for the Group as well as considering further the concerns raised during consultations. **We recommend that a Ministerial decision be taken on the recommendations to date**, which will underpin the further work required to bring

about a successful amalgamation of the two authorities. **We further recommend that if such a decision is taken the decision should be legislated for as a matter of urgency to give the certainty required for the remaining work to be completed.**

Should the Ministerial decision on the recommendation to amalgamate be taken, the legislation should set out a date for the amalgamation of the two authorities, which we recommend should happen no later than 2021.

We recommend that elections to the two existing authorities as currently constituted should take place in May 2019 as scheduled. We also recommend, that on the date determined for amalgamation that the combined membership of Galway City and County Councils becomes a unified Local Authority and that the Local Government Elections in 2024 be held as a combined authority of appropriate membership.

Appendix 1 Terms of Reference for Expert Advisory Group on Local Government Arrangements in Galway

The Minister for the Housing, Planning, Community and Local Government hereby establishes an Expert Advisory Group to carry out further detailed examination and planning arising from the report of the Galway Local Government Committee in relation to future local government arrangements for Galway which was submitted in November 2015 (referred to in this document as “the 2015 report”).

1. The main functions of the Group are to: -
 - a. undertake further detailed and rigorous examination and technical analysis in relation to the implications of the recommendations of the 2015 report;
 - b. provide an assessment of the recommendations of the 2015 report, including likely costs and benefits, in light of the examination and analysis at (a);
 - c. provide, in light of the assessment at (b), detailed information and recommendations regarding the implementation of the recommendations of the 2015 report and of any further recommendations at (d), the arrangements and measures necessary for that purpose and relevant timescales in that regard;
 - d. in the event that the Group concludes, on the basis of its detailed and rigorous examination, that the recommendations of the 2015 report should be supplemented or varied, indicate the reasons for this and provide relevant recommendations in that regard;
 - e. report to the Minister in relation to the foregoing matters as required by the Minister, or as the Group considers appropriate.
2. Without restricting the scope or flexibility available to the Group pursuant to paragraph 1, and subject to any additional matters that the Minister may require, the Group shall, in particular, address the following matters regarding future local government arrangements for Galway:
 - a. Leadership of local government, at both political and executive levels, including the possible establishment of an office of directly elected mayor and associated authority to perform substantial local government functions;
 - b. Governance and representational structures, including the approach to plenary council, municipal district and electoral area configurations;
 - c. Local government powers and functions, including potential for devolution of functions to local authorities from central government departments or

agencies, and the allocation of powers and functions as between plenary council and municipal district members;

- d. Resource implications of the recommendations in the 2015 report, and where relevant any further recommendations under 1(d), having regard to the income, expenditure, assets, liabilities, functions and services of the local authorities in Galway and to anticipated future trends and requirements in this regard, and to the requirements of addressing such implications;
 - e. Metropolitan interests in respect of the city of Galway, and any specific measures or arrangements, including configuration and governance, required to safeguard or enhance such interests, and to maintain the civic status, identity, character and heritage of the city;
 - f. The potential of local government to further the economic and social well-being and sustainable development of Galway City and County, including the strategic role and impact of the city, in particular, as a regional and national growth centre, and the need to have regard to the respective characteristics and needs both of urban and rural areas;
 - g. Cohesiveness, co-ordination, co-operation and collaboration in the context of future local government arrangements, particularly with regard to strategic policy in areas such as housing, spatial planning, economic development, infrastructure, transport, and environment;
 - h. The strength and effectiveness generally of local government in Galway, including in the use of resources, the organisation of functions and operations, and the provision of services; and
 - i. Implications of the Group's proposals or recommendations including anticipated costs and benefits (including potential savings and efficiency improvements).
3. To facilitate the effective performance of its functions the Group shall:
- a. have regard to the 2015 report and relevant provisions of the Terms of Reference of the Galway Local Government Committee;
 - b. engage with other bodies, as necessary, and where the Group considers that it is necessary for the purpose of particular research, examination or analysis, the Minister may arrange for the provision of specialist services to the Group for that purpose.

