

Report of the Local Government Efficiency Review Group Full Recommendations

Organisational Recommendations

Administration

- Ten joint administrative areas across 20 county and city council areas should be established to pool corporate functions and other service areas, with each joint administrative area under the responsibility of a single manager (short, medium and long-term);
- Responsibility for planning, roads and housing functions should be transferred from town councils to county councils (medium term);
- County councils should be allowed delegate some local aspects of housing service provision to towns where this is economically efficient (medium-term);
- The power to determine the annual rate on valuation should be removed from town councils, and town charges be applied in the same manner as other existing non-rating town councils (medium-term);
- Each county council should be allocated an urban grant for local urban roads, with the county council determining the urban road spend across all towns in its administrative area (medium-term);
- County council offices / area offices and town council offices should be co-located (ongoing);
- Joint drainage boards, joint burial boards, and other bodies should be dissolved, and their functions transferred to local authorities or a *lead* local authority (short to medium-term).

Staffing

- The number of county/ city managers should be reduced from 34 to 24, representing a reduction of 30% (short, medium and long-term);
- The number of directors, based on a standard template related to the size of the local authority, should be reduced by at least 20% from 240 to 190 (short, medium and long-term);
- The number of senior and middle managers (administrative and professional) should be reduced by 15% (short to medium-term);
- The staffing complements and number of senior managers in Dublin and Cork cities should be independently reviewed, with an objective of reducing numbers by at least 15% (review carried out over a six-month period , with implementation in medium to long-term);
- The number of corporate service staff should be reduced by 10% in the joint administrative areas, and by 5% in several other local authorities (medium-term);
- The number of planning staff should be reduced by 10% (medium-term);
- The number of roads staff should be reduced in several local authorities (medium to long-term).
- All local government recruitment and promotion for clerical, administrative, and professional staff should be conducted through the Public Appointments Service (short-term).

Miscellaneous

- The payments and expenses provided to local elected members be kept under review to ensure that they remain reasonable and proportionate (ongoing).

Sectoral Recommendations

Housing

- Social housing rents due to local authorities should be deducted directly from social welfare payments to reduce overheads associated with revenue collection in this area and to

substantially reduce arrears, as well as to streamline processes for local authority tenants and avoid the accumulation of arrears; This should also be a condition of new tenancies (medium-term);

- Housing sections within local authorities should be reconfigured to reflect the more varied sources of housing supply, arising from a greater emphasis on sourcing social housing units from the private sector through Rental Accommodation Scheme and long-term leasing (short-term);
- The time needed to let and re-let social housing properties should be further reduced to improve supply and reduce costs, and encourage a more efficient use of housing stock (short-term);
- The use of the professional services that are available from in-house staff, from other local authority staff on a shared service basis or from the new Housing and Sustainable Communities Agency should be maximised to support the procurement and management of housing projects (short-term);
- Housing assessments carried out by one local authority should be valid in others to eliminate duplicate assessments, and the possibility of establishing specialist teams to carry out housing needs assessment on behalf of several local authorities should be evaluated (short to medium-term);
- Opportunities for partnership with other local authorities in the provision of relevant services for the homeless should be explored to pool resources and improve access, as appropriate, and partnership with the HSE should be continued or enhanced where necessary, having regard to the respective roles of the agencies (short-term);
- The dissemination of best practice across local authorities should be a central element of the remit of the newly consolidated Housing and Sustainable Communities Agency (short-term).

Roads

- The role of the Regional Design Offices (RDOs) should be extended to areas such as the management of non-public-private partnership major projects, strategic regional road projects, asset and network management, and rehabilitation work, and the number of RDOs should be reduced (short to medium-term);
- New tolling schemes on national roads (both new and existing) should be introduced, based on an equitable distribution of tolling points across the national roads network, with a dedicated proportion of revenue used to invest in local and regional roads (medium to long-term);
- A greater community contribution should be secured towards the upkeep of local roads serving a small number of households (short to medium-term).

Water

- A concerted effort should be made to reduce unaccounted for water including water leakage levels (short to medium-term);
- The Department of the Environment, Heritage and Local Government and local authorities should further investigate ways to reduce input costs in areas such as energy efficiency through carrying out energy audits and improving operational and maintenance practices (short-term);
- An enhanced regional office approach should be developed at river basin level for:
 - Infrastructure delivery and implementation of the River Basin Management Plans;
 - Managing bulk purchasing (such as energy, chemicals), and externally procured sampling and monitoring and to seek economies of scale in contracts for equipment maintenance;
 - Working with the Water Services Training Group (already regionally based) to optimise training;

- Following further analysis, (a) delivering monitoring, authorisation and licensing functions currently carried out by local authorities under a range of legislation and (b) providing operational audits to identify potential for savings (short to medium-term);
- The agency working arrangements between Department of Agriculture, Fisheries and Food and local authorities on inspections under the nitrates regulations should be extended with a view to a more efficient use of the overall inspection resource (short to medium-term);
- Where appropriate, the necessary equipment should be installed to allow remote operation and monitoring of water/ waste water facilities (short to medium-term);
- There should be a continued emphasis on water conservation, instead of schemes to increase capacity, leading to savings in operational costs and deferred capital investment (short-term);
- There should be continued use of Design Build and Operate (DBO) and bundling of operation and maintenance contracts (short-term);
- 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 (short-term);
- The review of laboratory services currently underway should be expanded to include an examination, with a view to identifying efficiencies, of water monitoring by other public agencies. This review should be completed within 6 months (short-term).

Planning

- Planning fees should be increased with the aim of moving towards full cost recovery over a 5 year period, and maximum fees for large developments should be terminated (long-term);
- The introduction of e-planning should be accelerated and business process re-engineering exercises should be completed to strip costs from the system (medium to long-term);
- A range of efficiency measures should be introduced, such as:
 - Over the counter validation of applications;
 - Pre-application consultations on demand for significant development proposals; and
 - Regular information sessions or planning advice clinics (short-term);
- The wide variation across authorities in the level of development contributions should be examined by the Department of the Environment, Heritage and Local Government to ensure that contributions provide a meaningful contribution to the costs of the infrastructure needed to support development (short-term);

Waste

- The system of control for internal movement of hazardous waste within Ireland should be consolidated into the national office within Dublin City Council (short to medium-term);
- The waste collection permitting role should be centralised, and if necessary implemented through the network of Regional Waste Management Offices (short to medium-term);
- Local authorities should avail of opportunities to secure continued rationalisation of activity in waste management services (medium term).

Motor Tax

- The *off-the-road* facility allowing car owners to self-declare vehicles as not in use should be removed, subject to exceptional and specified circumstances (short-term);
- The online motor tax system should be expanded to allow owners of commercial and other vehicles to pay online (short-term).

Local Government and the Wider Public Service

- County/ City Enterprise Boards should be integrated within their respective county/ city local authority (medium-term);
- Pending a decision over the future system of Higher Education Grants, the administrative overheads associated with this area falling to local authorities should be fully recouped by the Department of Education and Skills (short-term);
- Local authorities should continue their role in promoting and leveraging community actions and local innovation to improve local areas, for example in the maintenance of local estates (short-term);
- The consolidation of local development bodies should be intensified (medium-term).

Financial Recommendations

Audit/Value for Money

- Financial performance indicators should be verified as part of the annual audit and reported on as part of the audit report, the annual financial statement, and the publication of service indicators (short-term);
- The internal audit function in local authorities should be resourced by staff with suitable professional qualifications and sufficient ICT skills to allow the extraction and analysis of data from the financial systems (medium-term);
- The scope for sharing internal audit services between local authorities should be pursued as a matter of priority (short-term);
- The annual internal audit plan should be discussed with the local government auditor and presented to the local authority audit committee before finalisation (short-term);
- Authorities should have local arrangements in place for the internal checking of receipts, including motor tax. This work should be separate from internal audit (short-term);
- Local authority elected members should receive quarterly reports at a minimum on the financial performance of the council against the approved budget (short-term);
- The Director of Audit should produce an annual report, building on the existing activity report, taking a more strategic overview of financial management and audit across the local government sector (short-term);
- The annual report should be sent to the Oireachtas Committee on Environment, Heritage and Local Government which can be publicly discussed with the Director and relevant local government representatives (short-term);
- Opportunities for exchange and secondment of audit personnel with the private sector should be explored (medium-term);
- Any value for money (VFM) studies or efficiency reviews carried out within the local authority should be reported through internal audit. The role of VFM officer within an authority could be assigned or extended to cover internal audit (short-term);
- Regulations, as provided for in the Local Government (Business Improvement Districts) Act 2006, should be issued on the operation of audit committees. This should include good practice as identified from experience to date (medium-term);
- Local authority performance against national VFM studies, capital spot checks, efficiency reviews or VFM follow-up reports should be considered by the auditor. Local authority progress in relation to VFM / efficiency reviews should also be discussed with the audit committee (short-term);
- An improved website area should be created for the Local Government Audit Service, on which all audit publications, including the annual audit reports, as well as information on local VFM studies, efficiency reviews and best practice could be made available to the public (short-term).

Financial Reporting/Management

- All local authorities must meet the statutory deadline for preparation of the draft annual financial statement (short-term);
- Necessary remedial action should continue to be pursued intensively in respect of the significant revenue account deficits in a number of local authorities (short-term);
- Cash flow statements should be prepared at regular intervals and considered by the local authority management team, with appropriate action taken (short-term);
- Regular competitive tendering should be carried out for banking services and overdrafts, and local authorities should use their purchasing power to procure uniform overdraft rates at national level (short-term);
- The best rates available should be obtained for investments/deposits - markets should be checked regularly to ensure best rates are being obtained (short-term);
- A treasury management best practice forum should be established (including a mentoring system between local authorities geared towards those local authorities that lack specialised skills in this area), while preserving financial autonomy (short-term);
- A specialist group should be established to examine the possibility of pooling arrangements for surpluses/ overdrafts of local authorities and attempt to match them, possibly through the Housing Finance Agency as host (short-term);
- The approval period for overdraft sanctions should be extended as appropriate from 6 months to one year to reduce repeat applications (short-term);
- An Innovation Fund should be established by the Department of the Environment, Heritage and Local Government to incentivise innovation and efficiencies in the operation and delivery of local government services, and to incentivise joint public service delivery at local level - projects financed through this fund would also be financed through a local contribution (short-term).

Cost Recovery and Revenue Issues

- Full economic cost recovery should apply to all services carried out by local authorities on an agency basis on behalf of central government on the basis that services are being run efficiently (short-term);
- A handling fee should be introduced to reflect the cost of processing manual motor tax payments to reflect the additional costs involved and encourage take-up of online motor tax service (short-term);
- The cost of a ten-year driving licence should be increased from €25 to €40, and the cost of a replacement licence from €15 to €30 (short-term);
- Local authority contributions to Vocational Educational Committees (VECs) should cease (short-term);
- Arrangements necessary to allow for the levying of local taxes and domestic water charges should be progressed as a matter of priority (medium-term);
- A series of exemptions to the commercial rates base should be curtailed (medium-term);
- Existing approaches to charging should be adapted in line with the model of the annual charge on non-principal private residences, particularly as regards dealing with late payments, and providing for charges and late payment penalties to be a charge against a property where possible (medium-term);
- Cost recovery should be attained in water services for non-domestic users, and in waste charges for both domestic and non-domestic users, in line with Government policy (medium-term).

Procurement Recommendations

- The amounts spent on professional consultants should be reduced (short-term);

- Local authorities should be allowed to advertise statutory notices in summary form, providing relevant links to pages on local authority websites to encourage online consultation and reduce advertising budgets (medium-term);
- Procurement systems in operation in Dublin City Council, Clare County Council, Longford County Council and LAQuotes should be reviewed within 12-18 months to establish which system can deliver the greatest cost savings through aggregation - following this review, participation in an aggregated sectoral procurement system should be mandatory for all local authorities (short-term);
- The procurement of road salt should be transferred to the National Roads Authority to ensure that local authorities do not have to compete with one another when there is a high demand for road salt (short-term);
- LAQuotes should be adapted to ensure that metrics are installed to measure throughput in value terms, count the number of transactions and record the transaction size, and identify the products and services being procured (short-term);
- Local suppliers should be encouraged to participate in the tendering process - the underlying principle is clear that best value must be obtained in terms of economy, but equally local authorities must enable local suppliers to participate in the tendering process (short-term);
- Each local authority should designate a contact point and resource to support procurement (short-term);
- Links should be formalised between the procurement officers in local authorities to promote exchange of best practice and coordinate efforts at shared procurement (short-term);
- Regional procurement specialists from the National Procurement Service should work with the Local Government Management Agency and a number of local authorities in each region to encourage the identification and exploitation of opportunities for more effective procurement co-operation and co-ordination across local authorities and the broader public sector (short-term);
- Cost effective training should be provided for all key participants in the procurement process and should be developed and implemented across the sector - the skills of participants should be enhanced to ensure adherence with best practice in specific cases of procurement, but also the strategic procurement skills to collect, aggregate and analyse high level spend data through detailed spend analysis, market analysis, negotiating and contracting skills, supplier and contract management, and supplier performance management (short-term).

Cross-Cutting and Shared Service Recommendations

Information and Communication Technology

- A uniform human resource and payroll system should be implemented for local authorities (short-term);
- Single, national ICT applications with common business rules for all local authorities should be pursued wherever possible, as opposed to multiple and duplicating local ICT applications (short-term);
- ICT infrastructure services across the sector should be consolidated and delivered as a shared service by *lead authorities* or the Local Government Management Agency (short to medium-term);
- The development of online services should be intensified to improve both efficiencies and service provision to the public (short to medium-term);
- The ICT systems used by local authorities and those bodies to which they report should be compatible (medium-term).

Shared Services

- A single building inspectorate service could be established on a regional basis to streamline the approach to the inspection of property. This should be examined to see how a single inspection could serve most if not all purposes across housing, planning, fire and other functions - this process should also be facilitated through the establishment of joint administrative areas (medium-term);
- The business case for a shared service approach between local authorities in the fields of fire services, homelessness, building inspection, internal audit, motor tax, and e-Government initiatives, either on a regional basis or on a lead authority model should be evaluated, having regard to timescale, service improvements and anticipated cost savings, as well as the proposed joint administrative areas (short-term);
- The Regional Design Office model should be extended to other local authority service areas, for example to the procurement, land acquisition, project management through planning and construction, and asset management of water and waste infrastructure, and public lighting (short to medium-term);
- Local authorities in specific regions should be obliged to negotiate a framework agreement for the region every 5 years, which would include assessments of shared service opportunities, and to encourage attention to regional policy issues that transcend local boundaries (short to medium-term).

Local Government and the Wider Public Service

- The programmes and plans of local development bodies should be aligned with those of the relevant local authorities to ensure maximum value for money and a more focused impact on local communities (short-term);
- The plans of local development bodies must be approved by their appropriate county and city council, and these bodies should report on the progress made in implementing these plans to local authorities at regular intervals (short-term);
- All new local programmes should be placed under the care and control of the relevant local authorities (medium to long-term);
- The County/ City Development Board (CDB) Interdepartmental Group should remain in place to strengthen and develop the CDBs including overseeing relevant recommendations in this report (short-term);
- CDB member bodies should be incentivised to share resources and promote better co-ordination of publicly funded local services - this could be done either by making a small percentage of budget allocations to relevant member bodies conditional on the delivery of agreed joint service initiatives as confirmed by the CDB, or by ring fencing a small percentage of budget allocations to relevant member bodies specifically for the delivery of joint service initiatives as agreed by the CDB (short-term).

Other Cross-Cutting Recommendations

- GPS systems should be installed in all vehicles within the local authority fleet (medium-term);
- Each local authority should review the potential for rationalising and consolidating the number of depots across different locations and across different local authority service areas (short-term);
- Service indicators should be more firmly embedded and used as part of the efficiency agenda, for example by the performance of each local authority being regularly reviewed by local authority management teams to drive change and challenge existing approaches to service delivery, and by being one of the considerations in the selection of issues for examination as part of VFM studies. The potential also exists for service indicators to be used to guide allocation of central government resources at local level in the future (short to medium-term);

- Local authorities must make greater use of available data in decision-making, including in relation to the allocation of resources. This data includes service indicators, financial performance, value for money reports, benchmarking based on quantitative and qualitative information, and other metrics and analysis available.