

Appendix

Re: Renewing Local Government in Limerick – Report of the Limerick Local Government Committee

The purpose of this document is to set out the views of Limerick City Council in relation to 'The Report of the Limerick Local Government Committee'.

Chapter 2: The Challenge

We are in general agreement with Chapter 2 in relation to the difficulties and challenges faced by Limerick City and as a consequence the Mid West region. The Report is, however, loose in its use of the word 'Limerick' where in various sections it can mean the existing administrative area of the City, the Metropolitan area (i.e. the City and its suburbs) or on occasions Limerick City & County.

It is, however, clear that the problem that requires to be solved is centred on the urban area and that it requires a focus on what best meets the needs of this urban area (and again by extension will strengthen the Region). In setting out the challenges, Chapter 2 of the **Report does not identify any systemic problems in rural County Limerick.**

We believe that a more accurate summary to Chapter 2 would be:

'These are some of the serious challenges facing the Limerick Metropolitan area and the Mid-West Region. Better local government arrangements for the Limerick Metropolitan area would be an important contribution to strengthen the City and Region'.

Chapter 5: Analysis and Conclusions

The City Council is also in general agreement with the analysis set out in Chapter 5. However, we are of the strong view that the solution proposed is not the best option for either the City or Region. No risk analysis of the proposed solution has been carried out.

Page 24 of the Report sets out a number of reasons for not choosing a boundary extension of the City as the preferred option. None of these reasons stand up to close examination.

'Notwithstanding the changed boundary, it is likely that current problems and issues could recur, such as inappropriate peripheral development'.

This concern can easily be addressed by including a sufficient green belt in the extended City and also, of course, the Minister has extensive powers under the planning legislation to ensure that adjoining counties, do not zone for, or permit, inappropriate development.

'The City and its hinterland would remain divided'

Again this argument has no merit as all cities in the world have a boundary somewhere that separates them from their rural surroundings. Indeed the Report's own recommendation separates the City from half of its rural hinterland (on the County Clare side) and sees no ill effect from such a separation.

'A lack of coherence and fragmentation across local authority boundaries could continue to impede Limerick's development'.

These issues have arisen to date because the boundary divided the urban area and gave rise to different policies in different parts of the metropolitan area. With an extension this matter does not arise. Indeed there would be a need for different policies on each side of the new boundary as one side would be a City and the other a rural county.

'The scale benefits of a territorially enlarged Limerick City Council would be counterbalanced by a reduced Limerick County Council. Significant value for money achievements would not be realised'.

With an extended boundary, the City would have a population of approximately 90,000 and the County would have a population of approximately 90,000. Both Limerick Authorities would be of sufficient scale to achieve value for money. In fact, European research has shown that local authorities require a strong local presence, and that scale savings, once a local authority exceeds 30,000/40,000, taper off significantly.

'Arrangements in which several local authorities represent and serve Limerick are not consistent with achieving the scale, cohesion, capability, value for money and leadership which are required to meet and successfully resolve the challenges Limerick faces'.

If the word 'City' is included after Limerick in the above paragraph you get the following:

'Arrangements in which several local authorities represent and serve Limerick City are not consistent with achieving the scale, cohesion, capability, value for money and leadership which are required to meet and successfully resolve the challenges Limerick City faces'.

We agree with the latter statement, as the challenges outlined at the start of the Report all relate to the City.

It is clear, therefore, that the reasons advanced for not extending the City boundary do not stand up to critical examination. It is also clear that all the advantages listed for an amalgamated authority also apply to an expanded city.

On the matter of the expected savings, the Report quotes these as being 'estimated' 'potential' 'targets'. As no evidence was presented for examination, no prudent decision could be based on such vague assertions.

Chapter 6: Recommendations

Recommendation 1: An expanded Limerick City Area

The Committee recognised that the current boundary of Limerick City Council results in a false depiction of Limerick as the State's fourth largest city, and has other important negative impacts on the city's statistical profile. They found that the totality of Limerick City, i.e. the contiguous urban area, should not be managed by multiple local authorities. They recommended that the boundary of the city area should encompass the entire contiguous urban area, with some additional space for future development. They believed that future development in and around the boundary must support the status of Limerick City and, in particular, the city centre.

As this has been Limerick City Council's position since its application for a boundary extension in 1974 and subsequent applications, it fully concurs with the Committees findings on an expanded Limerick City.

We submit that this expanded City with its own political leadership will provide the overall vision that the Committee recognised was required if the City is to achieve its economic potential given its position at the heart of the Mid West Region. The Committee recognised that a successful, dynamic Limerick City will benefit Limerick County, and the entire Region, as "there is a clear link between growth rates achieved at city level and those experienced at regional level".

Recommendation 2: A new Limerick Authority

The Committee recommends the establishment of a new Limerick local authority to represent, manage and administer the City (as expanded) and County of Limerick, replacing Limerick City Council and Limerick County Council.

The Committee recognise that this requires primary legislation and that this will take some time and are of the opinion that it could be in place by the 2014 elections. However, at the same time the Committee also recognises that without urgent action, many of the challenges Limerick faces will intensify. They were also of the opinion that urgent change is necessary for the benefit of the Gateway and the Mid-West Region. We submit that 2014 is too long a wait (bearing in mind that Limerick City Council has been calling for change since 1974 and Limerick County Council only recognised the need for change in 2010).

The Committee argued that the preservation of two authorities in Limerick City and County would have many significant drawbacks, including the possibility of further inappropriate peripheral development, the division of the City and its hinterland, a lack of coherence, limited scope for achieving better value for money and, if the boundary of Limerick City Council were to be extended, the impact on the residual Limerick County Council. Limerick City Council does not accept this position and instead fears that what the Committee sought to achieve i.e. a strong and focused City to lead the region will in fact be even more damaged by the amalgamation.

The Committee themselves expressed concern that in creating a single Limerick authority, it is extremely important to recognise an enlarged distinct City area within the new Limerick authority. Our concern is that you are reliant on the goodwill of the Council to keep this distinction alive as opposed to a legal entity which the City currently enjoys.

In regard to inappropriate peripheral development, this concern can easily be addressed by including a sufficient green belt in the extended City and also, of course, the Minister has extensive powers under the planning legislation to ensure that adjoining counties, do not zone for, or permit, inappropriate development.

In regard to the division of the City and its hinterland, the Committee only seems to see the County of Limerick as the City's hinterland, which if one was to truly follow their logic then a sizable portion of County Clare (and not just the urban elements) would be included in the new authority. All cities in the world have a boundary somewhere that separates them from their rural surroundings. Indeed the Report's own recommendation separates the City from half of its rural hinterland (on the County Clare side) and sees no ill effect from such a separation. Retaining two Councils with an extended City will ensure better leadership and a focus on their particular issues.

The Committee acknowledge that organisational scale is important as it permits specialisation and focus. Limerick City Council agrees with this. However, we submit that putting two local authorities together with totally different requirements from a strategic and often operational viewpoint will dissipate focus. Also, the specialisms required to deal with urban issues are different from those for rural issues so the sharing of specialism will be limited.

Bigger is not necessarily better. We need only look at the expensive and disastrous experiment in the HSE to show how health reform has not worked in the patient and public interest. No risk analysis of the proposed solution has been carried out. Instead we have a concept for which there is no domestic/international precedent, a riskier solution than convention would suggest. Ireland is now suffering hugely from the results of excessive risk taking by banks and policy makers in recent years.

Recommendation 3: Elected Membership

The Committee recommended that pending local elections in 2014, the membership of the new Limerick authority should comprise the combined membership of the current City and County Councils. Clare County Council should be invited to nominate a member to sit on the Council of the new Limerick City and County authority. This would mean a total representation of 46 for the new authority with the balance of power in the rural hands. (29/17). It seems unrealistic to expect there to be a focus on strengthening the city when the majority of the membership has been elected to see to rural issues.

The Committee go on to recommend that the membership of the new Limerick authority should be appropriately sized, in line with the membership of similarly populated counties, effective from the 2014 local elections.

The 2008 Electoral Area Boundary Report recommended the following for local authorities of similarly populated counties:

County	Population	No. of Representatives
Dunlaoghire Rathdown	194,038	28
Fingal	239,992	24
South Dublin	246,935	26
Galway	159,256	30
Kildare	186,335	25
Meath	162,005	29

The new authority will represent and service a population of approximately 187,000. Based on the Committees recommendation the number of representatives will be reduced by a minimum of 20 from 46 to 26. Due to the fact that the new City will have a population of approx 100,000 the breakdown of representation from rural to urban will be similar thus leading to tension in the Council chamber and little possibility of clear leadership or focus.

The Committee argued for strengthened local political leadership to improve local government in Limerick. In light of this comment Limerick City Council submit that by having a new authority with almost equal representation from urban and rural alike that the tensions and arguments of the past will still cause a lack of coherence which will now be contained within one local authority. This will not produce effective leadership capable of overcoming local agendas as sought by the Committee. The reality of life is that Councillors act as representatives and act in the interests of their own areas. It would be expecting too much of a rural Councillor to prioritise the City over his/her area.

Recommendation 4: Regeneration

The Committee recommended the incorporation of the functions, responsibilities, staff and assets of the Regeneration Agencies under the new Limerick authority.

The Committee recognised that regeneration in Limerick is a wider task than addressing the problems in disadvantaged communities and acknowledged that the city as a whole requires a long-term process of regeneration. It considered that local government should be a central driver of this process.

Limerick City Council agrees with the Committees findings and agrees that the Regeneration Agencies should be incorporated under Limerick City Council.

Recommendation 5: Leadership

The Committee recommends that the Mayor of the new Limerick authority should be elected for the full five year term of the Council, as opposed to the current system of annual rotation. The Committee also recommended that interim arrangements would see the new Mayor being elected from the 46 Councillors of the new authority.

Our concern here is that the Mayor of the new Authority would not be representative of the urban community due to the uneven representation i.e. 29 Co. Co./17 City Co. In such a circumstance it is unlikely that there will be leadership demonstrated in developing the City and the focus again would be dissipated. Following the 2014 elections, as already indicated under elected membership, the possibility of electing a strong Mayor with a focus on the City will also be limited.

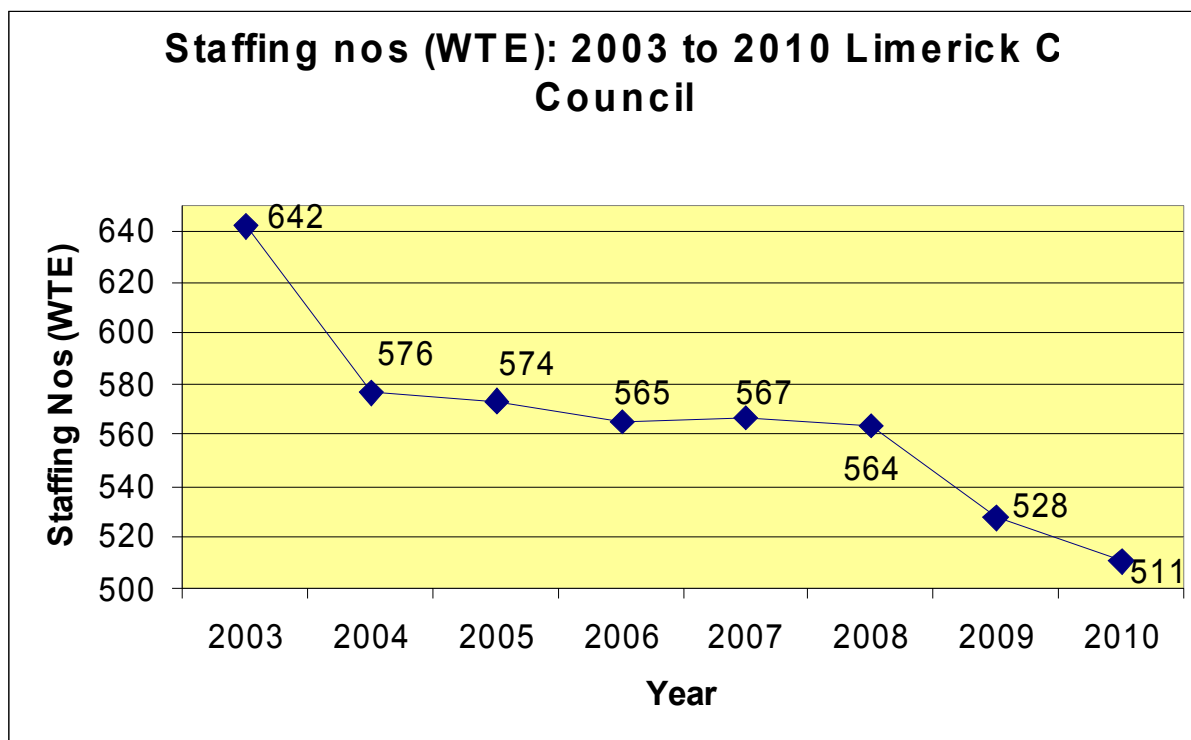
Recommendation 6: Value for Money

The Committee was of the opinion that substantial savings estimated at €20M per annum, realised from efficiencies gained through the merging of the staffing and administrative structures of Limerick City and County Councils and the elimination of duplication, should be achieved by the new Limerick authority. However, the report was silent on the detail of where the savings would be made. On the matter of the expected savings, the Report quotes these as being 'estimated' 'potential' 'targets'. As no evidence was presented for examination, no prudent decision could be based on such vague assertions.

Undoubtedly the merging of two organisations would cause the new organisation to become inward looking for a number of years while internal issues are being resolved. The expected synergies/efficiencies would not arise as without a new HQ, staff would still be divided and indeed there would be additional costs as staff travel between buildings.

In regard to staff merges, it is unlikely that a merger will result in savings on the front line, or in areas of services which are currently shared and provided by Limerick City Council to its neighbouring local authorities. Such shared services would already incorporate synergies and increased efficiencies, and they include the Fire Service, Munster Regional Control Centre, and the provision of water and waste water treatment facilities. The operation of dual policies in various areas such as housing, planning etc could also require a similar level of staffing to be maintained.

It should be noted that Limerick City Council has reduced staff by 131 since 2003 (20% reduction in staffing numbers in comparison to 2010 figures as illustrated below).



The Committee consider that rates harmonisation is an objective which is readily achievable through costs savings. Given that no evidence was appended to the Report in relation to any realistically achievable cost savings or their quantum, this cannot be relied upon to produce rates harmonisation. A boundary extension, on the other hand, would demonstratively achieve immediate rates savings of up to 15% for the City businesses.

The Committee expressed concern on the impact on the residual Limerick County Council if the boundary were to be extended. The figures we presented to the Committee demonstrated that Limerick County Council would still remain a wealthy and viable authority post City extension.

The measure Net Effective Valuation (NEV) per head of population is a measure of the general wealth of a local authority i.e. a local authority's ability to source funding from local commercial rate sources. In its submission to the Committee Limerick City Council demonstrated that despite a reduction in the NEV due to a boundary extension Limerick County Council would still compare favourably with local authorities with similar population such as Kilkenny, Wexford, Wicklow, Mayo, South Tipperary and Louth. Such comparable local authorities are able to present a balanced budget each year. (See Appendix 2)

Recommendation 7: Local Government Cooperation and Coordination

Limerick City Council agrees with the Committee's recommendation that a structured and regular process for discussing and agreeing cross-boundary, near-boundary and other issues of mutual interest and concern should be instituted by Clare & Limerick County Councils and Limerick City Council.

General Comment:

The Limerick Local Government Committee was set up to prepare a report into the most appropriate arrangements for local government for the City and County of Limerick. In their findings the Committee recognised that the city faces certain pronounced socio-economic challenges which, if not addressed as soon as possible, will have significant adverse consequences. They considered that institutional arrangements are impeded by issues of scale and multiplicity. Leadership, political and administrative, is not sufficiently coherent to provide vision, direction and support for the area as a whole. They recommended and defined the expanded Limerick City area.

In 1974, Limerick City Council's petitioned for a boundary extension. The reasons for the 1974 petition included the following:

- The role of Limerick City as a regional centre was being stifled.
- The City was too small in physical extent to meet the needs of its people.
- The area of the City was too small to function properly as a planning authority area.
- The area of the City was too small to meet the current and future needs of employment and housing.
- Persons who were dependent upon services provided by Limerick City Council were without a franchise in that they were not in the electorate of Limerick City Council.

A further application for extension was made in 1996. an amended proposal submitted in 1999 and again in 2005. The 2005 proposals was based on four key beliefs:

- Strong cities make strong regions
- City Governmance should be unitary and representative
- Cities should enjoy joined-up service provision
- City resources should be reinvested in the City

While the language may have changed the intent did not. On each occasion both Clare and Limerick County Council vehemently opposed the extension with Limerick County Council being of the opinion that the task of planning and economic development should instead be performed by joint discussion and cooperative action. The evidence of the devastating effect of such an attitude is regrettably clear to be seen in Limerick city today.

In regard to representation, Limerick County Council's response stated that the boundary extension ought not proceed because it would interfere with the political base of existing (County Limerick) politicians. In rejecting the case for reinvesting city resources in the City, Limerick County Council's response made it clear that the County's interest in retaining control of the suburbs of Limerick was primarily pecuniary.

The model of governance proposed by Limerick City Council is tried and tested and operates successfully throughout the developed world. The only reason why it was not progressed earlier is that there was no political will at national level to address the thorny issue of a boundary alteration.

In making its submission to the Committee in 2010, Limerick County Council does a complete directional change on its previous position and suddenly believes that amalgamation is the solution to the City's and regions problems. It is hard to credit that an organisation that has ignored the City for so long is suddenly going to have the City as its priority.

The boundary extension remains the best option to strengthen the City and by implication the region for the following reasons:

- The redefining of the City boundary as the Limerick City Metropolitan Area would address the spatial planning, transport and socio economic issues which have affected the City's performance and that of the region.
- Competition between the three local authorities for shares in the Limerick Metropolitan Area would no longer exist.
- Each authority would be sustainable from a population and financial perspective
- Each authority could focus on the delivery of efficient and effective governance within its own operational environment.
- Removal of the boundary issue will allow the three local authorities to mutually focus on the key issues and challenges to develop the Mid-West Region.