



governance
international[®]

Achieving citizen outcomes

REVIEW OF CORK LOCAL GOVERNMENT REPORT

Professor Tony Bovaird

Director, Governance International
Emeritus Professor, University of Birmingham

January 2015

Email: Tony.Bovaird@govint.org

Introduction and aims of this review

There have been a number of recent reforms of local government in Ireland, resulting in the amalgamation of county and city authorities in some cases. Most recently, a group appointed by the Minister for the Environment has made a recommendation to merge Cork City and County Councils into one body (with eighty or so members); the city would form part of the metropolitan area within this unitary authority. This recommendation by the Cork Local Government Committee, chaired by Alf Smiddy, was not unanimous, with a minority report advocating an expansion of Cork City Council's boundaries to encompass a larger part of the existing metropolitan area, and correspondingly reduced boundaries for Cork County Council.

This review has been produced at the invitation of the University of Cork, as part of its preparation to comment on the Cork Local Government report. As a result of this review, the University hopes to clarify the choices that must now be made for the region, as well as to determine how the university could best bring its own interests, as one of the largest organizations and employers in the region, to bear on the discussion.

The process to be undertaken was set out in the terms of reference from the President of the University (bold in the original):

1. The academic expert is invited to **critique the report (both parts)** as produced by the Smiddy Committee.
2. The reviewer is asked to comment on **whether the case for either option (i. amalgamation of both city and county councils; ii extension of city boundary) as set out in both parts of the report was appropriately compelling.**
3. The reviewer is invited to provide **his/her own opinions on the options of either extending the city boundary, or amalgamating both councils.**

The background to this invitation was a desire by the university to obtain independent advice, with a view to extending the basis of what has been perceived by some as a somewhat rushed review and a divisive subsequent debate, both by examining the evidence for the recommendations made by the two Smiddy Committee reports, majority and minority, and also by clarifying the choices that now must be made for the region. This review is therefore intended to support the university in making its own response to the two Smiddy Committee reports, in the light of relevant international research.

Key recommendations from the Smiddy Committee reports

The Smiddy Committee's report seeks "to create a model of local government for Cork that can support and promote the success of the Cork region in social, economic and environmental terms". This reference to the social, economic and environmental criteria for judging the success of local government mirror the terms of the current international debate on how to achieve 'public value'.

The Smiddy majority report

The Smiddy majority report claims that its recommendation of a merged Cork regional government, with a strong city at its core would have "sufficient scale, resources and vigour" to have a transformational effect and would enable Cork to act as an effective counter-weight at a national scale to the current economic predominance of Dublin and the eastern part of the country. Furthermore, it would help give Cork greater capacity to compete internationally and to act as an engine of growth not only for the entirety of Cork but the wider Munster/southern area of the country. These then form the sub-criteria by which the report seeks to be judged.

The majority report of the Committee makes the following recommendations (Smiddy, 2015: 9-12):

1. A unitary authority of Cork City and County Council should be established as the statutory local authority for Cork as a whole, encompassing the combined areas of the current city and county.
2. An appropriate Cork metropolitan area should be designated encompassing the city and suburbs but incorporating also a further surrounding area that would be consistent with the sustainable physical, economic and social development of the city in the medium to long-term. This would be the existing Metropolitan Cork area, as set out in CASP and used by both the city and county council already for planning purposes, with a population of 289,739 in 2011 and an area of 834 square kilometres. The city within the metropolitan area should be redefined to reflect the current reality on the ground, a task to be undertaken by the implementation group.
3. The representational body for the new Cork metropolitan area should constitute one of three divisions which would form a central element of the new Cork City and County Council. In recognition of the existing divisional structures these could be titled as follows:
 - a. Cork Metropolitan Division
 - b. Cork North and East Municipal Division
 - c. Cork West and South Municipal Division
4. Municipal districts, with a metropolitan district for Cork city, should be established in conjunction with electoral area re-definition. The local electoral areas should be reconfigured to produce a greater number of more territorially compact areas which would be more closely identified with local communities and traditional local loyalties and would be more manageable for councillors.
5. Meetings of the City and County Council should focus on a limited number of key strategic issues for the authority. The structure of the unitary council should be addressed by the

implementation group. A possible alternative to full unitary council meetings of 86 members would be for a smaller number of members to be appointed to meet at full unitary council level from the three divisions.

6. In tandem with the location of more strategic functions at the level of the unitary council, the role and status of the metropolitan/municipal divisions and metropolitan and municipal districts should be enhanced beyond that of current municipal districts by assigning appropriate functions that are currently confined to city/county councils to divisional and district level in Cork. These functions should be provided directly by statute. Particular attention should be given to ensuring members can perform an adequate budgetary role at metropolitan/municipal division level. In addition the potential to assign roles to the metropolitan/municipal division members in relation to functions devolved from central government should be fully exploited.

7. Special provisions should be enacted to preserve the historic civic status of Cork city, including retaining the role of Lord Mayor for the chair of the metropolitan division and associated status and customs. The option of a directly elected Lord Mayor should be considered.

8. The unified City and County Council should have responsibility for the main strategic functions of local government such as adoption of the annual budget, the corporate plan, the development plan and the local economic and community plan. An economic development unit should be established to promote and coordinate an integrated approach to development.

9. In addition to these strategic functions, significant powers and functions should be identified for devolution from central government and state agencies to the unitary authority. This would represent a radical new departure for local government in Cork, bringing it into closer alignment with its counterparts in most European states. It would also provide a model for other parts of the country.

10. All the executive and corporate functions and resources of local government in Cork should be consolidated in the unitary authority as the statutory local authority under the management of a chief executive for Cork City and County Council. This will reduce duplication and maximise efficiency.

11. The appointment of a chief executive for the new authority is a priority issue and should be progressed as soon as possible. The appointment should be advanced through an open competition process.

The Smiddy minority report

The minority report of the Committee makes the following recommendations (Keogh and Reidy, 2015: 56):

1. There should be a substantial boundary extension for Cork city.
2. Preparations for the boundary extension should begin immediately, with an implementation date to coincide with the local elections in 2019.

3. A permanent, legally binding, mechanism for addressing the boundaries of all local authorities should be put in place.

4. This report has recommended a boundary in principle and a city of the scale of no less than 230,000 citizens but the precise positioning of the boundary should be agreed by the two local authorities with reference to existing infrastructure and townlands. Should the Minister direct a boundary extension be implemented, agreement on the precise boundary should be reached within three months of the ministerial decision.

5. Mindful of the fact that migration to Europe from East to West and from South to North may pose a challenge for many Irish cities in the immediate future, Cork City should be prepared to accept larger numbers of refugees than it has experienced since the foundation of the state. This will push up the figures of those living in the city.

6. There are financial implications of a considerable scale involved in the boundary extension. Due diligence will be required to arrive at precise figures but the following principles are recommended to guide the process. The boundary extension should be implemented in 2019. An agreed package of compensation should be paid for a five year period (one electoral cycle) to facilitate transition. A reduced compensation package should be put in place for a further ten years (two electoral cycles) with the amount being paid declining to zero over the ten year period.

7. Some transfer of staff will be required. Figures provided to the committee would need to be independently evaluated but the staff transfer should take place during the period from 2019 – 2024 and should be conducted in accordance with the industrial relations protocols of the public service.

8. The electoral divisions for the extended Cork city will need to be agreed and an independent committee should be tasked with this work.

Criteria for a new local government structure

The Smiddy Committee's report seeks "to create a model of local government for Cork that can support and promote the success of the Cork region in social, economic and environmental terms". This reference to the social, economic and environmental criteria for judging the success of local government mirror the terms of the current international debate on how to achieve 'public value'.

The Smiddy majority report also claims that its recommendation of a merged Cork regional government, with a strong city at its core would have "sufficient scale, resources and vigour" to have a transformational effect and would enable Cork to act as an effective counter-weight at a national scale to the current economic predominance of Dublin and the eastern part of the country. Furthermore, it would help to give Cork greater capacity to compete internationally and to act as an engine of growth not only for the entirety of Cork but the wider Munster/southern area of the country. These then form the sub-criteria by which the report seeks to be judged.

A variety of criteria appear to be used in the minority report. One set of criteria focuses in particular on the competitiveness of the city, as a driver of growth in the region. On page 9 we read: "A competitive city must have the autonomy, financial independence and scale to allow it to compete internationally. Cork city is the second largest city in the country and it has a vital role to play in the future economic and social development of the state". Again, on p. 9 we read: "... the [boundary] extension should be such that it provides space for growth and development in the city area over the next five decades" and "It is essential that governance structures are designed so that local government can deliver these vital policy roles, in economic planning and development and social and community development." Of course, in this later quote, 'social and community development' would seem to demand a different set of criteria from 'economic planning and development'.

A different criterion is introduced on p. 9: "Local government in Ireland should be based on the principle of subsidiarity; that is that decision making should take place at the closest level to the citizen practicable."

On p. 37, the minority report cites an OECD report, with apparent approval: "the OECD report comments that the most successful cities are those that have extensive co-operation with the neighbouring authorities".

On p. 10, a further criterion on service efficiency and effectiveness is introduced: "Urban and rural areas have different economic and social needs. The requirements for both communities are best provided by focused local authorities that have the capacity and scale to deliver efficient and effective services to their respective populations."

Finally, the criterion of historical continuity is introduced on p. 28: "The history of the city of Cork provides a potent argument in favour of the continued autonomy of the city."

A secondary criterion used in the minority report is that the city should not be 'under-bounded', meaning that "due to population growth and urban expansion, the boundaries of the city *de facto* by

far outreach the boundaries of the *de jure* city” (p. 25), since this “presents an incoherent framework within which the city must be managed” (p. 29), with the possible consequences of “inequities in the availability of services to citizens who are often contributing equally to national resources” (p. 36).

These criteria in the minority report appear more in line with those of the 2006 proposal by the City Council for boundary extension, where the criteria were based on the four goals of the city’s corporate plan: civic leadership; developing the city; quality service; and building synergies (Smiddy report: 19).

However, my reading of the two reports suggests that, in practice, the weight given to the criteria proposed by each report has varied somewhat from their declared intent. The majority report, in practice, seems to have given most weight to the criteria in Box 1:

Box1: Criteria given weight in majority report

- Impetus to economic growth from strength of the city region
- Need to resolve differences in the strategic interests between different parts of the region, particularly the metropolitan and more rural areas
- Potential for efficiency savings
 - Potential for service improvement
 - Potential for economies of scope
- Improvements to governance, accountability and local democracy
 - Ensuring that the numbers of councillors is not too large
- Feasible financial arrangements
- Feasible staffing arrangements
- Potential for devolution of central government functions

Although the minority report has appeared to share most of these criteria, in my reading it gives particular weight, in practice, to the criteria of a strong, competitive city ‘driving’ the city region and contributing to national economic growth. It also pays a lot of attention to the criterion of service efficiency and effectiveness, particularly as it believes that this criterion necessitates very different approaches between urban and rural areas, which it believes have quite widely differing economic and social needs. It also appears to give significantly more weight than the majority report to the various criteria which relate to governance, accountability and local democracy (although criteria to which it draws special attention, such the need for extensive cross-boundary collaboration, then get disappointingly little analysis). The other criteria which it mentions appear to be given rather less weight in practice, including the potential for devolution of central government functions (although it lists in some detail previous calls for devolution of functions).

Consequently, I will use the list of criteria in Box 1 in assessing the case made by each report, as it covers well the criteria used in both reports.

It is reassuring that these criteria appear to be similar to those used in local government reorganisation exercises elsewhere in the world. However, it may be useful to point out that they appear to give less attention to 'value for money' as an explicit criterion (given particular weight in most English, Welsh and Northern Ireland proposals for local government reorganisation in recent years), 'stronger communities' (again, a key criterion in most UK local government reorganisations in recent years), 'neighbourhood flexibility and empowerment (a key criterion in the government proposals for local government reorganisation in England in 2006), equity (from the same source) or disparity in service levels between different local governments (a criterion in the Perth, Western Australia, reorganisation proposals, cited in Boyle, 2015: 95). In making a final judgement on the future structure and processes of local government in Cork, it may be appropriate also to give some consideration to these criteria, too.

What are we looking for in the debate on local government reorganisation – consensus or constructive difference?

New arrangements for local authority structures and processes are not simply about economic or financial logic – they embody judgements about competing political values. For example, some will place a high value on self-determination of communities with strong local identities, while others will give most weight to achieving low administrative costs. And, naturally, they also emerge from competing political interests (e.g. the interests of farmers versus town dwellers, or the interests of the city unemployed versus city residents who don't want their local park turned into industrial development land).

The conflicts between these value judgements and these political interests do not go away, simply because we amalgamate the areas between which these conflicts most arise. Such amalgamation of areas simply means that the more powerful interest groups can dominate the less powerful, the majority political values can dominate the minority values.

The key to finding improved local government structures is therefore to find arrangements in which potential win-win situations can be increased (e.g. where new industrial development is also environment-friendly and high in employment) or where the values of all stakeholders can be indulged with less damage to the other stakeholders - e.g. allowing urban residents to choose dense public transport networks in urban areas, subsidised by their own taxes, while allowing rural residents to choose low public transport subsidies, and the resulting minimal public transport services.

It is therefore clear that no proposed local government restructuring will be without its winners and losers and that the ultimate decision made will therefore be made on political grounds and will have political consequences, particularly in terms of the distribution of benefits and costs to different groups. It is a basic principle of democratic governance that these benefits and costs to different groups should be transparent, not hidden. In that respect, both the majority and minority reports fall short of the ideal, since neither contains a clear tabulation of winners and losers from their proposals. While such a tabulation would clearly be difficult, and subject to all sorts of uncertainties, it is fair to ask for it, since it must be supposed that such an analysis is in the minds of the proposers.

As this debate goes further, and further proposals are developed in more detail, it would be highly valuable if all participants were asked to outline more clearly the winners and losers from their proposals, saying roughly how many people fall into each category, and what type of benefits and costs they are likely to experience, over what time period. This would help to ensure that claims made in proposals were more firmly grounded in the evidence base, and would make it clear where there is little evidence, or where the evidence is contested. And it would allow those proposals which are only prepared to identify potential winners to be taken with a pinch of salt!

Choosing between the options: the balance of evidence

The Cork Local Government Committee faced the very stiff task of recommending an appropriate local government structure, a task which has increasingly proven contentious and problematic around the world during the past forty to fifty years. Moreover, they did not have a long time, nor substantial resources, for their work. They are therefore to be congratulated on putting together two interesting and challenging reports. The fact that members of the Committee did not agree, giving rise to a minority report as well as the majority report, is not a great surprise – similar divisions of opinion have typically characterised bodies set up to carry out similar tasks in other countries over recent decades. My comments on the reports should therefore be read within a context where I have tried to make clear the distinctions between the reports and make judgements on the evidence base for these distinctions – this process may therefore necessarily give rise to the differences between the reports on some points appearing artificially magnified.

In this section, I will summarise my reading of the arguments and evidence produced by the majority and minority reports of the Local Government Commission. This section therefore draws on the comments on the two reports which are to found in Appendix 1.

I will use as headings the criteria which I have identified as the key criteria which have been given significant weight in the discussion, namely:

- Impetus to economic growth from strength of the city region
- Need to resolve differences in the strategic interests between different parts of the region, particularly the metropolitan and more rural areas
- Potential for efficiency savings
 - Potential for service improvement
 - Potential for economies of scope
- Improvements to governance, accountability and local democracy
 - Ensuring that the numbers of councillors is not too large
- Feasible financial arrangements
- Feasible staffing arrangements
- Potential for devolution of central government functions

Impetus to economic growth from strength of the city region

This criterion appeared to be given very high weight by both the majority and minority reports. However, they disagreed radically on whether it would be best achieved by a unified authority or two separate City and County authorities.

I think the key argument in the majority report is: ““By combining the two authorities the enlarged city would be centre stage in the unified structure, and would be the epicentre and powerhouse of the region” (p. 49). However, I think that this neglects the political realities of local government, whether in Cork or elsewhere. The position of the enlarged city would depend on the power balance

in the new County/City Council – since, under the proposals of the majority report (and indeed of the minority report), the city would have fewer councillors than the rest of the county, then this vision of the city's role as 'centre stage' would be highly dubious. All the factors which have contributed to the City Council being able to extend its boundary in the past would still be in place, and the city would have lost its bargaining power as a separate local authority entity.

I therefore do not find convincing the majority report's insistence on p. 48 that: "Amalgamation would strengthen the positioning, status and image of Cork city globally, and also the entire Cork region, and help spearhead and create a new drive, energy and focus, on the back of substantial FDI and related experience and knowledge secured in the city and county over many decades." Of course, it is unfortunate that neither the majority nor minority report provide evidence for the level of FDI currently and in the recent past, nor on its preferred location in the Cork city or county area. The arguments of existing businesses, e.g. the contributions to the consultation by the business community in Cork, are split and are, in any case, based on different criteria from those which will be used by inward investors. This lack of evidence is surprising and it would be useful if it could be rectified before a final decision is made on local government structure in Cork. However, I see no evidence from the international literature or from elsewhere that makes it likely that inward investors would be more attracted by a unified City/County authority than by an effective City Council.

There is a revealing statement in the majority report (p. 60) that: "Meetings of the City and County Council should focus on a limited number of key strategic issues for the authority. The structure of the unitary council should be addressed by the implementation group. A possible alternative to full unitary council meetings of 86 members would be for a smaller number of members to be appointed to meet at full unitary council level from the three divisions". This suggests that the majority report sees a unified Council as appropriate for strategic issues but not for more local issues. This, in turn, suggests that the majority report is actually concluding that a two-tier solution would be most appropriate, with a unified County for strategic issues, and district councils to run all local functions. However, their recommendations shy away from this, proposing instead 'divisions' to run local functions, although they do not consider the status, power and budgets of these divisions in any convincing detail.

The key arguments in the minority report about the role of the city region are on p. 40: "Amalgamating the local authorities of Cork city and county would be going against the trends and governance arrangements that are in place across Europe. Cork city is of critical importance for spatial planning in Ireland. The National Spatial Strategy and successive development plans have singled out Cork city as providing a vital counterbalance to the growth of Dublin and the Eastern region. If balanced national development is to be achieved, Cork city must grow rapidly in the coming decades (as must Cork county). As we have documented, cities lead development and Cork city must be empowered to provide leadership and vision."

It is unclear whether the European evidence on second cities has any relevance for Cork, given the very different situations of Frankfurt, Lyons, Milan and Barcelona – they do not appear to have any obvious parallels to Cork. However, the rest of the argument in this paragraph, which is meant to back up the opening statement (p. 9) of the minority report that "cities drive regions", has more relevance. The interdependencies between city and region are clearly critically important, if both

are to benefit from the potential for growth – a point emphasised in the Eurocities (2013) mentioned on p. 39 of the majority report but not fully explored by either of the two reports. It is these interdependencies which have to be managed successfully by the choice of local government structure. so I do not consider that this constitutes an argument supporting either an independent City Council or a unified City and Cork Council – rather, it reminds us of a point made earlier in the minority report (but subsequently rather underplayed), that success depends on extensive co-operation with the neighbouring authorities.

The minority report states on p. 37: “The literature speaks to the unique challenges of city regions. Cities must have functional capacity, this means they need to be capable of making decisions in relation to finance, investment, planning and economic development. One of the reasons for the slow development of central areas of Cork city is the high cost of the development of brown field sites. The local authority needs to provide initial investment support, to secure high quality and coherent development. To do this, the city needs to have substantial financial autonomy. It should not be embedded in an institutional structure which would entrench competition for resources across a large geographical area with competing priorities and challenges. An independent city is the only way of guaranteeing optimum investment in urban economic development and infrastructure.”

This argument is quite convincing – a city whose expenditure decisions would be dominated by those in its non-metropolitan hinterland is indeed vulnerable to under-investment. However, the argument for ‘financial autonomy’ of the city is perhaps overstated here - some central government contribution to major infrastructural developments which benefit the national economy should not be ruled out, just in order to allow major cities a higher degree of financial autonomy. This means that cities do not have to be quite so large as the financial autonomy criterion, as interpreted in the minority report, might dictate.

Summary on the city-region criterion: On balance, the minority report is more convincing in its arguments that cities drive regions, that cities must have functional capacity, in terms of being capable of making decisions in relation to finance, investment, planning and economic development, and that an independent city is important to securing optimum investment in urban economic development and infrastructure. This favours the option of a separate City Council and County Council. However, in reality the key to success of the Cork city region will be how the interdependencies between City and County areas are managed by the respective Councils.

Need to resolve differences in the strategic interests between different parts of the region, particularly the metropolitan and more rural areas

The majority report (p. 5) suggests that: “Two separate authorities would lead to more divergent and potentially conflicting views on what is best for Cork. Planning for balanced economic and social development would become more difficult.” The reason that it reaches this conclusion appears to be the analysis on p. 47: “If two separate authorities are retained, with an enlarged city and a smaller and likely weaker and more isolated county, this would lead to potentially more divergent

views on what is best for Cork, given the authorities would have significantly different natures in a new configuration.”

This comment argues strongly, in my view correctly, that the interests of the two areas of Cork – metropolitan and rural – are potentially divergent. This reinforces the evidence presented in the minority report (p. 41) from the research of Robbins, Turley, McNena (2014) which underlines that city councils and county councils are different - their differing foci are evident from the spending practices of different council types. This point is also made strongly on pp. 42-43 of the minority report: “Economic and social development of rural Ireland ... presents particular challenges, no less important or challenging than those of urban areas but they are different. Rural infrastructure is difficult to develop, as the business plan underpinning development may be complex. A longer term focus may often be required. Environmental protection is vital but the focus of policy in county councils must take account of the realities of agriculture, small rural business and dispersed, low density, housing settlements. Policies must support existing communities, while providing for long term sustainability. The housing needs of rural communities are different and social problems such as rural isolation require tailored and targeted responses.” The minority report also highlights what this means for the county council (p. 43): ““The focus of the county council is different. There is a much stronger rural dimension and policies specific to rural requirements must be prioritised. It is inequitable to diminish the economic and social needs of such a large county by diluting its objectives.”

What appears to be at stake here is whether or not it is legitimate for divergent views to exist, and, if they do exist, whether the local government structure should allow them to surface in an effective manner. Since the whole purpose of local government is to give room for local differences to be built into policies and actions, it seems odd to suggest a structure which will simply hide ‘potentially divergent views’. The conclusion that a unified authority would ‘solve’ this conflict of views is one which threatens to undermine the rationale of having local government in the first place. Trying to cover up these differences by establishing a bigger authority with a wider geographic remit would be likely to lead to key differences being neglected and the less powerful interests in the County being overwhelmed by the more powerful interests. Neither of these outcomes is desirable. Both the metropolitan area and the non-metropolitan area of the County are more likely to have more appropriate services if allowed to shape this choice for themselves. The conclusion of the majority report is not consistent with a belief that local government is at its best when it is local, not regional, and is representing the interests of clearly defined local areas which embody a sense of local identity.

The corollary, of course, is that conflicts between the County and the City on issues where each other’s actions have deleterious consequences on each other (and this usually relates to only a small range of local government activities, particularly allocation of development land and regionally important infrastructure facilities) would need to be resolved by some supra-authority mechanism. This is not meant to suggest that interference from central government is appropriate. Resolution of such conflicts is one of the roles which the regional assembly level might be expected to play. (If such assemblies are to be worthwhile, of course, it may be necessary to give them more powers, particularly powers devolved from central government – but that is not a topic for this review).

The majority report stresses the interdependency of urban and rural areas (p. 39): "... cooperation between cities and their surrounding areas, within these functional urban areas, is necessary and should be based on a shared vision. The need for access to a wide range of resources, such as local food chains and food production, natural heritage, sports, leisure and recreational facilities, means that cooperation is essential to increase the sustainability and overall quality of life for everyone. Availability of land and lower real estate prices outside the city are important assets for locating functions that serve the whole metropolitan area and that require a lot of space. On the other hand, hub cities are often the main attraction for visitors, who also make use of surrounding areas. Due to their size, metropolitan areas can provide services to benefit both those who live in the city and those living in more rural surrounding areas e.g. hospitals, culture, waste and water management and treatment as well as connections to major transport systems. This situation challenges the traditional perception of two clearly different types of regions: urban and rural."

This is an important point, well made. However, it does not mean, as the majority report seems to think it means, that there is no longer a need for a boundary between urban and rural authorities. Since the needs and capabilities within each of these types of area continue to be different, the conclusion from this paragraph should be that areas which are similar in their needs and capabilities should have separate governance arrangements, while their interdependencies with other (dissimilar) areas need to be managed in a collaborative fashion.

The majority report provides a number of examples of a lack of confidence in the ability of local government to make appropriate decisions for their area. On p. 48 we read: "Furthermore the availability of serviced lands in these satellite towns will draw development into these areas, potentially to the detriment of a focus on development in the city centre." This is surely a matter for the city to determine. Would a unified authority give more priority to the requirements of Cork City centre than would a larger Cork City Council? If so, what possible arguments would justify it in doing so? Again, on p. 55 we read: "In an enlarged city it will be more difficult to focus on the city centre, with the satellite towns likely taking more development." This also seems to cast doubt on the ability of local councillors to make locally relevant decisions – something which would not be expected in a report about how to increase the effectiveness of local government. And on p. 62 we read: "A savings target should be established by the implementation group in the light of an agreed revised organisational structure and workforce plan." This provokes the obvious question: Why? Who will be more competent to determine the appropriate levels of service and appropriate levels of cost than the elected members of the new authority, guided by their appointed officers? By what authority will an 'implementation group', with no subsequent responsibility or accountability for the governance of Cork, make such a recommendation? And whose responsibility would it be to take action if this target failed, for whatever reason, to be met? Again, this is a recommendation which threatens to undermine the credibility of the Committee as a promoter of directly-elected local government.

Again, on p. 51 the majority report states: "A unitary authority would create fairer and more equal systems for citizens with elimination of inefficiencies, bureaucracy, duplication, anomalies, etc. (as an example in housing where at present different rules and criteria apply depending on whether you are in the city or county)." But these different rules were politically determined in the respective local authorities, which is the proper role of elected local government. If the elimination of

‘anomalies’ such as different rules and regulations in different local areas is the criterion for a ‘fairer and more equal system’, then this would clearly be a call for the end of all local government. And, indeed, it is hard to see in the majority report where the authors see local differentiation of policy fitting into the picture.

The majority report believes, however, that its recommendation of a new single unified authority would indeed “strengthen democracy within the Cork region. A cornerstone of the new model is that citizens throughout the county will be put first. All existing local government anomalies in services between the city and county would be eliminated. This amalgamated local government model will open up the city to the county and the county to the city, with the city at the heart of the Cork region and with a consistent approach for all Cork citizens. In this way, amalgamation will strengthen local government and democracy in the region with the citizen coming first” (p. 50). However, this seems on the face of it to be optimistic, to say the least – the current imbalances within the city and within the county would not necessarily be eliminated by the amalgamation, so there is little reason to believe that the ‘existing local government anomalies between the city and county’ will be eliminated. As they are largely the result of the current power balance between the County and City Councils, and that power balance would not be much changed by the new unified council (and might indeed be reinforced, given that the city would lose its independent influence), it is difficult to see the logic behind this analysis.

Finally, when looking at the implications of variations in need and capabilities across geographic areas, it is important to distinguish between service planning, prioritisation and co-ordination (the ‘commissioning’ approach) and service delivery. The argument in the majority report tends to conflate both – for example, on p. 51: “In many cases amalgamations are seen as important in strengthening the professional capacity of local authorities as much if not more so than improving efficiency. A key issue here is building and retaining capacity to ensure that services are maintained and developed and to attract and retain suitably qualified staff. It is about developing an organisation that can create centres of excellence, and has sufficient capacity and a critical mass to develop all levels of staff and create succession planning to support personal and organisational needs. The focus is on securing, maintaining and developing the highly skilled staff needed to manage the increasing complexity within local government services.” It is indeed possible – although nowhere demonstrated in the majority report – that service delivery would be improved by consolidating groups of service delivery staff, with a greater diversity of skills – this is the economies of scope argument. This possibility is certainly not an argument for amalgamation *per se* – shared services and partnership working could equally achieve this purpose. However, this argument in relation to economies from bigger groups of staff in service delivery may not apply at all in the case of service commissioning functions. Indeed, smaller local authorities may have much higher capacity to understand genuinely local differences in needs and in citizens’ ability to organise themselves. Here, being close to local people is important and being part of a wider entity is a threat to effective working.

This governance argument appears not to have been given much, if any, weight in the majority report, although some recognition of it is perhaps behind the discussion on p. 51: “A smaller county would remain one of the larger local authorities in Ireland, but would face challenges of resilience in the longer term in comparison to the current situation and in comparison to a single council. In a

two authority scenario, the ability of the county to address service delivery needs would be affected, in part depending on the scale and nature of loss of staff from the county to the new city council.” Here, the final sentence is an interesting recognition that the foregoing arguments are essentially about service delivery, rather than service commissioning and wider governance issues. They therefore are not to do with the configuration of local authorities as such but more about the way in which service delivery is commissioned by the political decision-makers. More shared services or partnership working would also address exactly the same issues of resilience. (The earlier part of this paragraph seems to be an argument for larger authorities across the whole of Ireland, rather than an argument about the ideal arrangements in Cork but this is not the place to discuss this interesting idea).

Summary on the criterion of appropriate recognition of urban-rural differences: My overall conclusion in relation to the differences between the urban and rural areas of Cork is well summarised on p. 56 of the minority report: “Urban and Rural areas have distinctive economic and social needs which require policy specialisation and clear operational boundaries. ... [R]ural and small urban communities must see investment and have policies which are tailored to their specific needs. City Councils and County Councils have different priorities and must continue to meet the differing, but equal, needs of their populations. Two councils in Cork which would both be very large, by national standards, are best placed to deliver efficient and effective services. Cork City Council and Cork County Council have separate, but complementary, objectives and these objectives are best met with two local authorities focused on delivering for their respective communities.” While this encapsulates the main reasons why I agree with their conclusion, I think that this quote also reminds us that even the solution of two separate City and County authorities requires more attention to be paid to inter-authority working, not only in Cork county but beyond, and that more attention also needs to be paid to how both the City and County Councils will effectively engage with the citizens and service users in their different communities to ensure co-production of services and publicly-desired outcomes.

Potential for efficiency savings

The definition of efficiency savings is not clear in the majority report, and, in particular, the concept is not distinguished from expenditure cuts – for example, we read on p. 26-27: “In Tipperary, for example, by February 2015, payroll savings in excess of €3 million have been noted. This figure is based on departures since the merger was announced, less those posts refilled with the approval of the Department of Environment, Community and Local Government.” The majority report highlights these as achievements of the unified authority in Tipperary. The report does not go as far as suggesting that these are efficiency savings but it also fails to point out that, if these spending reductions simply represent cuts in service, they may represent a reduction of efficiency, if service outputs or outcomes have fallen even more than spending. The majority report goes on to claim that “There have also been efficiencies and staff time freed for other priorities associated with the elimination of duplication of some activities, such as the need now for only one development plan, one annual report, one set of accounts, one audit etc.”, which is encouraging, although these efficiencies remain unquantified.

This apparent conflation of efficiency savings with expenditure cuts occurs again on p. 53 of the majority report: “The savings that have been made generally in local government in Ireland in recent years (such as over 20 per cent reduction in staff since 2008; shared services developments etc. as referenced in section 2.4) mean that any scope for further significant efficiency savings is limited.” Although this caution about the scope for efficiency savings is understandable, there are some problems associated with this analysis. In the absence of information on outputs delivered, outcomes achieved or citizen satisfaction with local government, it is at least likely that the radical and precipitate cuts in staffing of Irish local government in recent years have actually reduced its efficiency, in terms of ‘results achieved per Euro spent’. The developments in shared services mentioned in section 2.4 of the report refer to some shared arrangements in Laois, Kerry and Offaly County Councils, Dublin City Council – however, no figures are cited to suggest that these arrangements have yet produced efficiency savings.

Moreover, the majority report analysis of the potential for efficiency savings from a unified council seems to be based on some very speculative arguments. For example, the report states on p. 4-5: “The different back office systems and processes will be streamlined and a simplified approach for citizens throughout the region introduced. This consistent approach for all Cork citizens, combined with political governance structures that put the city and metropolitan area at the heart of the council, will strengthen local government and democracy in the region with Cork citizens being put first.” Again, this sounds encouraging, although no details are given. It raises the question, of course, as to why this hasn’t happened in the two existing councils? And why would it be more likely to happen in a unified council than in new but separate City and County Councils, each of which would be amongst the largest local authorities in Ireland?

The majority report calls upon some international evidence to support its contention that the new unified authority could be more efficient – for example, on p. 54 it states: “Internationally, one of the most rigorous studies carried out, in Denmark, shows savings up to 8 per cent on average from amalgamations.” However, this is a selective reading of the evidence, as the international study commissioned by the Committee from Richard Boyle is here quoting from research in Denmark which suggests that the savings come from the second and third years after amalgamation, by which time they amount to about 6% in amalgamated authorities, after which they are not statistically significantly different from savings in non-amalgamated authorities. This 6% saving is, of course, a desirable level of saving but it represents just one example from the international literature on local authority amalgamations. Furthermore, a more recent study (Allers and Geertsema, 2014) using a similar methodology in the Netherlands but over a much longer period of years than the Danish study, found no significant effect of amalgamations on aggregate spending in amalgamated authorities. They do indeed find that, in the long term, spending on administration is significantly reduced by amalgamation - but this is offset by increased spending elsewhere in the authorities, which is not reflected in increased service levels.

Furthermore, Allers and Geertsema claim their results are consistent with the international literature, which they summarise as follows (p. 5): “Econometric analyses also have mixed results. Some studies point to higher spending after amalgamation (Lüchinger and Stutzer 2002, studying Switzerland; Hansen 2011, Denmark; Moisio and Uusitalo 2013, Finland), whereas others find that amalgamation reduces spending (Reingewertz 2012, Israel; Blesse and Baskaran 2013, Germany).”

They point out (p. 5) that “studying spending levels alone [in the absence of information on changes in outputs or outcomes] is insufficient to judge whether amalgamation is successful” and find only two studies which check whether lower spending is associated with lower service levels (although neither used convincing indicators of service levels).

The majority report supports its case for efficiency savings arising from a unified authority by another appeal to the international evidence on p. 54: “The New Zealand Controller and Auditor General found that though the Auckland reforms were not primarily carried out to reduce costs, economies of scale and opportunities to leverage buying power were anticipated from a larger council. The council has reported \$81 million (€55 million) of efficiencies in the first year.” Again, this claim about savings anticipated in the future has to be treated with caution. If realised, this would amount to about 5.5% of the annual budget of the new authority – but the realism of the claimed savings has not been tested. Nor is it clear that the savings represent efficiency savings, rather than simply service level cuts. In addition, a high proportion of these savings were from consolidation contracts and other procurement changes, most of which would have also been possible thorough shared services or partnership working by the previous authorities. Furthermore, the relevance of the Auckland example to the Cork case is not clear – the Auckland reforms involved amalgamating seven local authorities and one regional environmental authority into one mega-authority, covering a third of the New Zealand population.

The majority report seems to be on safer ground when it discusses possible reduction of administrative costs from a unified authority, e.g. on p. 54: “Merger would lead to a reduction of administrative duplication and freeing up, for more productive use, of resources previously absorbed by (a) management/supervision (heads of housing, planning, roads, fire services, libraries etc.) and (b) various processes such as the production of two development plans, sets of accounts, annual reports, rating, corporate plans, audit, etc., involving both staff and non-staff costs. Elimination or reduction in such costs would be a significant benefit of merger, though the benefits of this do not necessarily translate into payroll savings, at least in the short term. Such cost savings and efficiencies would address the need as raised by business representatives such as IBEC in their submission for a more efficient local government service with a focus on cost savings.” The cost savings under the heading of a) are indeed likely to occur, although costs of duplicated supervision are likely to be relatively small. Moreover, the scope for reduced management costs may partly illusory, as reduced management costs may come at the expense of services ill-tailored to the differing needs of different areas of the amalgamated authority.

The potential cost savings under b) are difficult to estimate. There may indeed be efficiency savings available from amalgamating accounting and audit procedures. However, amalgamating development plans, corporate plans and annual reports may significantly reduce the extent to which these plans and reports are tailored to the differing requirements of different areas of Cork and different organisational units, so that they may be less appropriate and therefore amalgamation may actually be inefficient.

Some of the other analysis in the majority report also appears to suggest that unified authority arrangements might actually reduce efficiency. For example, the report states on p. 49: “The unitary council would meet on a bi-monthly basis, focusing primarily on high level strategic issues such as

planning (development plan and local economic and community plan), budgeting and county-wide issues in areas such as housing, roads and the environment. Divisions and municipal districts would meet monthly, with the maximum possible delegation to these levels. The county submission proposes a working model that provides the basis for how such an arrangement could work.” Again, on p. p. 63 the report recommends: “All functions other than major policy and strategic matters should be dealt with at metropolitan/municipal division and district level on a monthly basis.” This appears to entail that, for the non-strategic services, the council infrastructure and overheads would now cover three council entities rather just the two previous authorities. It therefore seems to undermine its own argument that the new unified City and County Council would be able to make significant savings from eliminating duplication of functions and services across the current City and County Councils, since these three local entities involved in decision making on many of these functions would bring the likelihood of higher unit costs.

Efficiency: Potential for service improvement

Some of the arguments in the majority report focus on how services can be improved through efficiency savings. For example, on pp. 50-51 we read: “Centres of excellence would be created through unification, and local government citizen/customer service centres set up throughout the region, accessible for and by citizens, fully aligned and integrated, providing regional consistency, citizen friendly services, integrated smart technology, etc.” This sounds attractive but there is nothing to suggest that this approach would be enhanced by a unified authority. Are there any examples of benchmarking being done which show WHICH service centres are currently ‘best’ or even ‘good’ practice, so that they could serve as centres of excellence in the future? Without such analysis, this remains a vague ideal, rather than a recipe for practical service improvement.

Efficiency: Potential for economies of scope

Finally, there are a powerful set of arguments in the literature on public services efficiency and effectiveness around the concept of economies of scope, defined to occur when the costs of providing a shareable input to two or more activities are less than the total costs of providing this input for each activity separately (Panzar and Willig, 1981). This releases previously unexploited aspects of a resource – underused expertise of members of staff, underused facilities in equipment, unexploited capabilities of ICT systems, and so on (Bovaird, 2014a: 1076)..

The majority report discusses the implications of economies of scope, as reported in the international literature (p. 46): “Aulich et al (2011) make a point about what they term ‘economies of scope’ that can arise from mergers that can enhance the role of local government in economic and social development: ... consolidation provides important opportunities to capture economies of scope and enhance the strategic capacity of local government.” This is clearly an important point. However, we have ask if it is likely to be an important result of the merger of two very different organisations which focus on different policy issues, have different governance requirements and provide services which are tailored to very different kinds of communities? Moreover, economies of scope can be achieved through collaboration and partnership, not just merger. There is therefore a

need to examine the New Zealand case studies to see if they justify such large-scale mergers. Actually, the authors quoted here (Aulich et al.) include under 'consolidation' not only mergers but shared services, partnerships, etc. They actually go on to say (p. 10): "A difficult question to determine is whether economies of scope and development of strategic capacity are stronger with amalgamation than with other approaches to consolidation." The majority report does not have any doubts on this front (p. 50): "Associated with the 'economies of scope' argument, it can be contended that a unitary authority would be best placed to capitalise on an enlarged and enhanced staff skill base to develop new and innovative approaches to service delivery." While this is potentially true, the same economies of scope could be achieved by shared services and partnership working, if they were effective. Of course, this caveat also applies to a merged authority.

Summary of the criterion of potential for efficiency savings: Neither majority nor minority report gives a clear definitions of efficiency savings. The majority report, in particular, is in danger of conflating efficiency savings with expenditure reductions in local government. Yet this is highly contestable - in the absence of information on outputs delivered, outcomes achieved or citizen satisfaction with local government, it is at least likely that that the radical and precipitate cuts in staffing of Irish local government in recent years have actually reduced its efficiency, in terms of 'results achieved per Euro spent'. Nor does the majority report produce convincing evidence on efficiency savings through developments in shared services or streamlining of different back office systems and processes. Furthermore, the international evidence does not back up its claims. The majority report seems to be on safer ground when it discusses possible reduction of administrative costs from a unified authority, particularly in terms of costs savings through amalgamation in terms of management/supervision costs and accounting/audit costs (although they may be relatively small). However, the suggestion in the majority report of efficiency savings through amalgamating development plans, corporate plans and annual reports may be seriously misguided – such amalgamation will significantly reduce the extent to which these plans and reports are tailored to the differing requirements of different areas of Cork and different organisational units, so that they may be less appropriate and therefore amalgamation may actually be inefficient.

Some of the other analysis in the majority report also appears to suggest unified authority arrangements might actually reduce efficiency. For example, its suggestion (p. 49) that "all functions other than major policy and strategic matters should be dealt with at metropolitan/municipal division and district level on a monthly basis" appears to entail that, for the non-strategic services, the council infrastructure and overheads would now cover three council entities, rather than the current two authorities, with the likelihood of higher unit costs. Finally, the suggestion in the majority report that amalgamation might bring significant economies of scope is rather implausible, since it would involve the merger of two very different organisations which focus on different policy issues, have different governance requirements and provide services which are tailored to very different kinds of communities. Moreover, economies of scope, where they are genuinely important, can be achieved through collaboration and partnership, not just merger.

Improvements to governance, accountability and local democracy

Both the majority and minority reports seek to take into account the implications of their recommended options for governance, accountability and local democracy in Cork. However, they both have a rather restricted perspective on these concepts.

The majority report (p. 41) suggests that political governance and the function of local democracy involves “issues such as local political oversight and accountability, and the role and arrangement of the metropolitan and municipal districts”. Missing here is any mention of citizen engagement.

In practice, the discussion of each of these issues in the majority report is rather limited and, where it does occur, very narrow. For example, on p. 58 the majority report recommends: “Municipal districts, with a metropolitan district for Cork city, should be established in conjunction with electoral area re-definition. The local electoral areas should be reconfigured to produce a greater number of more territorially compact areas which would be more closely identified with local communities and traditional local loyalties and would be more manageable for councillors.” This concern to achieve ‘a greater number of more compact areas which would be more closely identified with local communities and traditional local loyalties and would be more manageable for councillors’ is admirable. It does seem a great shame, though, that it is simply being sought for the narrow purpose of allocating electors to the locations in which they vote. This is a wasted opportunity – I would have expected the report to consider how citizens might more successfully be mobilised within these new ‘compact areas more closely identified with local communities’ in order to encourage them to engage more actively in local government affairs and to co-produce local public services.

A key issue in governance and local democracy is subsidiarity, a principle to which the minority report attaches significant weight. The majority report, too, suggests (p. 63): “There should be the maximum delegation possible of functions to metropolitan/municipal divisions and districts, promoting more effective local government and avoiding over centralisation of decision making.” While being very sympathetic to the general tone of this recommendation, I am conscious that it tends to be a platitude which is intoned by almost every local authority in Europe, while being observed by almost none in reality. As the majority report gives little analysis of what this ‘maximum delegation possible of functions’ might entail, it seems wise to be highly sceptical of how much this would mean in practice. And it is hard to see a report which recommends a unified City and County Council as a report which is focused on ‘avoiding over centralisation of decision making’.

The majority reports goes on to suggest a way of promoting the level of subsidiarity (p. 63): “At national level consideration should be given by the local government advisory group to strengthening the powers of municipal districts so as to secure the maximum possible autonomy and budgetary control.” This appears a very worthy recommendation, although I remain convinced that the exercise of devolved powers by bodies such as municipal districts should be tailored to local circumstances, and not dictated at national level, according to nationally determined standards. The concept of ‘variable geographies’ seems appropriate here, meaning that the right configuration of local authorities, neighbourhood governance and service delivery organisations might vary substantially across areas in Cork county, just as it might vary substantially across Ireland as a whole.

The minority report focuses in rather more detail than the majority report on governance, accountability and local democracy issues. In particular, it emphasises the need for collaborative working in the public sector and in relation to public services. It states on page (37): “In the discussion on the governance arrangements of cities and metro areas, the OECD report comments that the most successful cities are those that have extensive co-operation with the neighbouring authorities. This is not an argument for amalgamation, it is an argument for shared governance and the creativity required to manage urban areas in the Twenty First Century.” This is a fundamental point, which is insufficiently recognised in the majority report. If such mature partnership working is not available between local authorities, then amalgamation is not the obvious answer, since it is likely not to be available within the unified authority either. The answer is to set up pressures and incentives for improved partnership working, not to ignore the current deficiencies.

This point is reinforced on p. 48: “Governance arrangements at local government level do need substantial updating in Cork. There is a manifest case for greatly enhanced horizontal co-operation across the two local authorities. Cross regional co-operation in governance and joint administration of some services will deliver greater policy coherence and optimize efficiencies in service delivery.” Similarly, on p. 48 we also read: “It is vital that co-operation in economic development, strategic planning, external relations and transport is mandated between Cork City Council and Cork County Council. Quite like Manchester, there is a strong history of co-operation between the two councils in Cork. ... Development and transport plans such as the Land Use and Transport Study (LUTS) and the jointly agreed Cork Area Strategic Plan (CASP) speak to the depth of the co-operation while initiatives such as the Smart Cities scheme demonstrate that collaboration is spread across the service areas of the two local authorities.” However, this critically important point is not analysed in much further detail, other than a recommendation for joint committees on p. 8: “We also recommend that the already strong horizontal co-operation between Cork City Council and Cork County Council be placed on a formal basis, with joint committees of both councils established to lead strategic policy, especially in the areas of economic development, planning, transport and international co-operation. These committees should be established on a legally binding basis and policy agreed at this level should be binding on both councils. Cork can become a model of regional co-operation, to be replicated in other regions of the country.” This is a key recommendation for dealing with the strategic issues which cross Council boundaries – but examples are not given of how it might work and it is not followed up in detail in the rest of the minority report. Furthermore, it reads a little oddly, given the comments elsewhere about the difficult relationships between county and city over the issue of boundary extensions. Consequently, the suggestions of the minority report go only part of the way to showing how cross-boundary coordination might be promoted. If a two authority solution is eventually implemented, it will be critically important to tackle this.

Other parts of the minority report emphasise the importance of subsidiarity – for example, on p. 45: “It is intended that municipal districts, which were established under the Local Government (Reform) Act (2014), will become a local decision making entity. The municipal districts have many advantages over the old system of town councils, not least that they uniformly cover the entire county. But, at present, these structures are evolutionary and, fundamentally, it is not intended that they will ever have budgetary powers. As a consequence, any intention that they become a substantive agent of local government lacks the understanding that decision making, without

financial powers, is a sub-optimal scenario.” This is a fundamentally important point, which appears to have been ignored in the majority report. Both in theory and in practice, organisational units which have no budgets but only ‘advisory’ roles have little power and make little difference to practices or outcomes. Consequently, their affairs and decisions attract the attention of only a small minority of the population, usually seen as unrepresentative, thus undermining their legitimacy. The majority report gives some weight at a number of points to the fact that ‘divisions’ will be established in the new unified Cork City and County Council (with Cork city being part of one of these divisions) but it does not discuss how it will avoid these divisions being seen as purely administrative conveniences, rather than as real decision-making entities.

One aspect of the discussion of governance in the minority report seems at variance with its commitment to subsidiarity – on p. 26, the report states: “Cork, the second city in the country, has been impeded in its growth and democratic governance by inaction on the part of central government to engage in timely and systematic reform of the Cork city boundary. The absence of decisive action by central government during the past fifty years was, at best, a policy of benign neglect. The expectation that the two local authorities would arrive at a solution by consensus never had any prospect of success. In such a process, the County authority always had, and could exercise, a veto over a boundary extension.” This analysis has a number of consequences. First, it reinforces the point that the interests of the County and the City are strongly opposed (at least in the views of their leading politicians), which suggests that bringing them together will simply promote a power battle. Second, it suggests that the prospects for joint working in the future do not appear favourable, so solutions based on joint working should be regarded with caution. Third, calling on central government to act as adjudicator has also not worked during this period. On balance, finding a way to make the contesting points of view find a compromise would seem more consistent with the principle of subsidiarity, to which the minority report strongly subscribes, than allowing central government to interfere in what is a fundamentally a local (or at most regional) issue.

The minority report suggests on p. 46 that there has been a recent reconsideration of the importance of governance in Ireland: “The economic crisis in Ireland precipitated a crisis of governance. Political and administrative structures were challenged by the scale of the economic crisis and a broad based political reform movement ... recommended greater devolution of powers to local authorities, enhanced financial autonomy and stronger political accountability. The crisis narrative included considerable criticism of the overlapping and small scale of political elites and there were recommendations that the base of decision making needed to be broadened. Amalgamation does nothing to deliver on any of these objectives.” This is an intriguing part of the analysis of the minority report. Its conclusion perhaps does not go far enough – not only does amalgamation not deliver on any of these objectives, neither does a boundary extension. This is hinted at by the minority report on p. 47: “Amalgamation of local authorities in Ireland is partly informed by a centralising logic which presumes that vertical co-ordination is enhanced by reducing the number of units involved in the governance system. Vertical co-ordination may come at the expense of subsidiarity and may also undermine the capacity of local government to be both responsive to citizens and accountable to them.” This is an important point – the majority report pays little attention to how to increase “the capacity of local government to be both responsive to citizens and accountable to them” and its recommendation for a unified City and County Council

does not appear to have been designed with either responsiveness or accountability to citizens in mind.

However, the minority report also does not go into detail about how these criteria will be met by its own proposals. Moreover, it highlights on p. 50 that: “There is also evidence from the international literature that large local authorities are less responsive to their citizens (Callanan, Murphy and Quinlivan, 2014). One of the concerns raised by the elected representatives of Cork City Council, in their meeting with the Committee, was that an amalgamated authority for Cork would have 500,000 citizens and nearly 100 councillors. They argued this would lead to a huge bureaucracy and complexity in decision making and the distance between the citizen and the local authority would be increased. They were of the view that this would intensify the social dislocation experienced by disadvantaged communities in the city.” This is an important argument – but the recommendation of the minority report of two local authorities with over 200,000 residents would mean they were not very close to their populations either – it is therefore disappointing to find that neither the majority or minority report considered in any detail how this potentially damaging failing of the new local government structure in Cork could be overcome.

In particular, bringing more citizens into the decision-making process and the co-production of public services might be seen as a more radical way of broadening ‘the base of decision making’ (Bovaird and Loeffler, 2014). While the City Council and the County Council are likely to remain the relevant decision making bodies for strategic issues, this might mean that a further level of devolution of decision making to active neighbourhoods and communities might be relevant, at least in those areas which wanted it. This issue appears to be largely neglected in both majority and minority reports, which goes against trends in the rest of Europe and, indeed, in most OECD countries. It is possible that this issue will be further up the agenda when the next series of discussions on local government reform in Ireland comes around.

Ensuring that the numbers of councillors is not too large

A sub-theme under governance and local democracy which exercise both majority and minority reports is the appropriate number of councillors under the new local government arrangements in Cork.

The minority report on p. 45 highlights that: “Broadly, there is one councillor for every 5,000-6,000 citizens in Ireland. ... The figures are far lower in many EU countries. In France the ratio is 1:400, Finland 1:410 and the Netherlands 1:1700.” The majority report (pp. 48-49) seems to be more concerned to standardise this high ratio between the city and the rest of the county than to change it: “The city representational ratio is 1:3846 whereas in the county it is 1:7269 (the national average is 1:4830). Maintaining the total number of councillors (city and county) at 86 would give a representational ratio of 1:6035. Metropolitan Cork with a population of 290,000 would have 48 councillors and the other two divisions 19 councillors each. This gives a strong voice at unitary council level to the city and Metropolitan Cork division. There would be a concern that with boundary extension and an expanded city of 230,000 that the number of councillors would be capped at the current level of 31. This would result in a representational ratio of 1:7419, thereby

weakening democratic representation.” Indeed, far from being concerned at this high ratio of population to councillors, it even suggests the possibility of almost trebling this ratio in the new unified City and County Council (p. 4): “A possible alternative to a unitary council of 86 would be for a smaller number of members to be appointed to meet at unitary council level from the three divisions. This could limit the size of the unitary council (say to 30 members) in order to facilitate more streamlined decision making.” This is an extraordinary proposal - what would this do for ‘representation’? How would it fit with the previously expressed concern for the large population represented by each councillor? Furthermore, there is no attempt anywhere to justify the idea of ‘strategic’ and ‘non-strategic’ councillors – although such arguments could indeed be made, particularly in a two-tier structure of local government.

This issue of the population represented by each councillor is highly significant if there is an intention to give citizens a bigger role in public decision-making and public service co-production in the future. The small number of councillors in Cork at the moment (and envisaged for the future in both the majority and minority reports) is inconsistent with intensive public interaction with councillors. If the discussion over the future of Cork local government moves on to give more attention to the role of citizen engagement and service user co-production, as I believe it ought, then there will be pressures to ensure that the body of councillors in the city and county have the capacity and necessary support to deal with highly activated citizens – and this may entail an eventual increase in the number of councillors.

Finally, I find it disappointing that enhancement of the role of councillors is not considered in either majority or minority report in any detail. In particular, their role in community activation and mobilisation of local resources might be given more attention (Bovaird, 2014b). They could (and should) be a key element in the rejuvenation of ‘neighbourhood governance’, e.g. through collective arrangements, such as neighbourhood committees or boards, community councils, etc. Again, they could work closely with community activists at street or neighbourhood level (variously called ‘street warden’, ‘community warden’, ‘neighbourhood champion’, ‘local area co-ordinator’, ‘village agent’, ‘community organiser’, etc.), whose engagement in various European pilot initiatives has generally be evaluated to be successful and to have provided value for money. Furthermore, the practice which occurs elsewhere in Europe in allocating to each councillor a small budget (often around £10,000 per councillor in the UK, but sometimes rather more) which can be used for local projects in the councillor’s ward, to be suggested by the community itself (and subject to normal accountability procedures), might be considered for Cork councillors, to help to promote a more active approach to community governance in the future.

Summary of the criterion of governance, accountability and local democracy: The majority report (p. 41) suggests that political governance and the function of local democracy involves “issues such as local political oversight and accountability, and the role and arrangement of the metropolitan and municipal districts”. In practice, the discussion of each of these issues in the majority report is rather limited and, where it does occur, very narrow. Citizen engagement appears to be given little consideration. The majority report suggests (p. 63): “There should be the maximum delegation possible of functions to metropolitan/municipal divisions and districts, promoting more effective local government and avoiding over centralisation of decision making.” However, its own recommendation of a unified City and County Council does not appear convincing as a way of

achieving 'maximum delegation of functions' and preventing 'over-centralisation of decision-making'. The minority report focuses in rather more detail than the majority report on governance, accountability and local democracy issues. In particular, it emphasises the need for collaborative working in the public sector and in relation to public services. It therefore stresses (p 48) that "there is a manifest case for greatly enhanced horizontal co-operation across the two local authorities". However, its suggestions go only part of the way to showing how this might be promoted and, if a two authority solution is eventually implemented, it will be critically important to build in ways of ensuring this. Finally, I believe that the discussion over the future of Cork local government should pay more attention to the roles of citizen engagement and service user co-production, so more consideration should be given to ensuring that the body of councillors in the city and county have the capacity to deal with highly activated citizens – and this may entail an eventual increase in the number of councillors.

Feasible financial arrangements

The majority report suggests that amalgamation is an easier option than boundary extension as (p. 52): "There would be significant challenges associated with setting up arrangements that would (a) finally determine the level of compensation needed from the city to the county and (b) ensure a rigorous, agreed system for transfers between the councils over a number of years." The financial implications have not been fully explored, so caution must be exercised in interpreting the current claims being made. In any case, the financial cost to one party in such a transfer would be a benefit to the other party, so that the public sector in Cork as a whole would not be affected (although it would be important that the transfer costs were fairly calculated).

Moreover, this argument presupposes that the assets (and loans) of the County would simply be transferred to the City. However, there is a simpler solution – namely to transfer all the assets (and associated loans) to a Community Development Trust for the areas concerned, which would manage the assets on behalf of the community, charging an economic rent for them and selling those which are not needed, with the proceeds being available (to the City Council) for projects in the located in the areas concerned with social, economic and environmental benefits. This would avoid all the transactions cost mentioned by the majority report and would be likely to result in a more economical use of the community's assets, with the potential for more resources to be freed for more valuable community activities.

Feasible staffing arrangements

The majority report suggests that amalgamation is an easier option than boundary extension (p. 56) in respect of consequent staffing arrangements: "A boundary change of the scale envisaged is effectively a merger for the staff and structures affected. Somewhere between 260 and 370 staff are likely to need to transfer from the county to the city. There would be major challenges associated with this level of staff transfer. There would also be the consequent need to reorganise the staffing of both the enlarged city and the reduced county. The county would lose skillsets that would need to be replaced. Determining past and future pension liabilities to be retained or transferred would also

be required.” This argument appears to underestimate the staff churn which would be involved in an amalgamation of the two authorities, which would potentially involve almost 2000 staff, not simply the 260 – 370 estimated here to be involved in an extension of the City Council boundary. This latter estimate is, in any case, likely to be a substantial over-estimate, given that service delivery staff (as compared to central departmental staff) are likely not to be involved in large-scale change or in relocation. Furthermore, there is probably an overestimate of costs involved in the statement on p. 54 of the majority report that: “Accommodation would need to be sourced for the staff transferring to the city, which would be an additional cost.” There is a need to differentiate between commissioning and service delivery activities – the latter should not involve any staff location changes, if largely the same services are to be undertaken as before. Of course, it is also possible that the scale of changes being forced on local government by the ongoing implications of the recession may dwarf these changes due to boundary alterations.

The majority report also suggests (p. 53): “Getting agreement on the numbers and type of staff to move would not be straightforward and unless handled sensitively would run the risk of reducing the skill base available to the county (for example, working for a bigger metropolitan authority may be seen as more attractive for the more go-ahead employee than working for a smaller county).” This is a rather crude analysis – in terms of the attractiveness of employment, issues of the likely growth rate of population, service needs, service provision, sourcing of services from alternative providers, and levels of satisfaction of service users would need to be factored in before any such judgement could be made with confidence. It also seems strange that neither report discusses the fact that, in the case of a boundary extension, many of the staff who would be transferred between authorities would have valuable experience of working in an area which is now the responsibility of a different local authority and would therefore constitute the foundation of a new bank of inter-organisational knowledge, on which more effective joint working could be built.

Finally, the majority report makes two recommendations on specific staff appointments: “The appointment of a chief executive for the new authority is a priority issue and should be progressed as soon as possible. The appointment should be advanced through an open competition process” (p. 60) and “A deputy chief executive position should be created. The deputy chief executive should have designated responsibility for Metropolitan Cork, and also for economic development for the entire council” (p. 60). I would expect a chief executive to be appointed by the elected politicians, so this recommendation reads rather oddly. I assume that this is intended to refer to the appointment of an ‘interim’ chief executive? Furthermore, I see no reason why the majority members of this Committee should have any more insight into the structure of staffing in the new unified City and County Council than will the elected members, so I find it hard to see any justification for this Committee seeking to influence decisions such as the appointment of a deputy chief executive or head of economic development.

Summary on financial and staffing criteria: The majority report suggests that amalgamation is an easier option than boundary extension in relation to the implications for financial and staffing arrangements. However, these claims are not substantiated in the report, which does not fully explore the financial implications suggested by the County Council and City Council. Moreover, simpler solutions to the financial implications may be available than those suggested in the majority report. On the staffing implications, the argument of the majority report appears to underestimate

the staff churn which would be involved in a merger of the two authorities, which would potentially involve almost 2000 staff (although many of them only marginally), not simply the 260 – 370 estimated to be involved in an extension of the City Council boundary. This latter estimate is, in any case, likely to be substantial over-estimate, given that those staff involved in service delivery are likely not to be involved in large-scale change or in relocation. I therefore conclude that the differences between the two options in terms of the financial and staffing criteria are not sufficient to give one option a significant advantage over the other.

Potential for devolution of central government functions

The majority report is optimistic that its unified City and County Council proposal would encourage central government to devolve some functions to local government level in Cork (p. 47): “A single council speaking with one voice for Cork and with an enhanced skill base of expertise in functional areas would be better placed to argue the case for the transfer of more powers to local government (aspects of health, education and social services for example). In view of the relatively limited role of local government in Ireland there is a good case for greater devolution of functions from central government to local authorities. One council, given its scale and standing, would be harder for central government to ignore or side-line, as has happened to local authorities in the past.” On p. 59, the majority report further suggests: “This would represent a radical new departure for local government in Cork, bringing it into closer alignment with its counterparts in most European states. It would also provide a model for other parts of the country.”

This is an attractive argument, if such devolution is likely. Moreover, I am very sympathetic to the general tone of this recommendation. However, I can find no arguments in the report to back it up, other than those set out in some previous government reports. Nor does the majority report set out in any detail the arguments for the devolution of specific significant powers and functions’ from central government to the new unitary authority. It states that “The sort of areas that might have potential for devolution include appropriate elements of public transport, tourism, heritage, national parks and monuments, education, community related health and welfare functions, further aspects of economic development, additional planning responsibilities e.g. foreshore licences, and functions of national agencies which are to a significant degree locally or regionally based. The task of identifying specific functions for devolution and appropriate lead-in times could be assigned to an implementation group.” This very vague and general prescription suggests that no significant thought has been given to this proposal. In any case, I would expect that such devolution would have to be earned rather than simply claimed, so it would be likely to be some time before a new authority could convince central government to devolve such powers. Such devolution would surely be more convincing in other parts of the country where a settled local government system can be demonstrated to be performing well and therefore to have ‘earned’ such devolution. In the case of Cork, this argues for ensuring that the new local government arrangements are likely to succeed, rather than that they be large in scale.

Summary on devolution of powers criterion: The differences between the two options in terms of the criterion in relation to the potential devolution of functions from central to local government are not sufficient to give one option a significant advantage over the other.

Overall summary of the balance of evidence for the options set out in the majority and minority reports

The criteria on which the scores of the two options outlined in the majority and minority reports differ most clearly are the impetus to economic growth from the strength of the city region and the need to resolve differences in the strategic interests between different parts of the region, particularly the metropolitan and more rural areas. In both cases, I find the arguments of the majority report, and the evidence which they bring to bear in making these arguments, considerably less convincing than those of the minority report. Moreover, both of these criteria seem to me of very high importance in devising a local government structure which will be appropriate to the needs of Cork residents, both metropolitan and rural.

The efficiency arguments in both reports rely on Irish evidence which is rather weak and on international evidence which gives no clear guidance on the relative merits of large or amalgamated local government units, compared to smaller units. Therefore, although the efficiency criterion is highly important, it does not lead to a clear judgement on which of the two options is most desirable.

The criterion of improvements to governance, accountability and local democracy (including ensuring that the numbers of councillors is not too large) is one to which I give a lot of weight, as did the minority report (although the majority report appeared to give it considerably less weight). On my reading of the evidence, it strongly favours the option of separate City and County Councils. However, even this option may well need to be developed further to meet all current expectations for improved governance, accountability and local democracy. First, it will be important to pay particular attention to improved joint working between public agencies in Cork (and in surrounding counties), not only between Cork County Council and Cork City Council. Second, discussion over the future of Cork local government should pay more attention to the roles of citizen engagement and service user co-production, which have been largely neglected in these reports. With this in mind, more consideration should be given to ensuring that the body of councillors in the city and county have the capacity and necessary support to deal with highly activated citizens.

The criteria of feasible financial arrangements and staffing arrangements are important, although I attach less importance to them than to the preceding criteria (partly because they are, by nature, much more short term in their significance). In any case, the differences between the two options in terms of the financial and staffing criteria are not sufficient to give one option a significant advantage over the other.

Finally, the differences between the two options in terms of the criterion in relation to the potential devolution of functions from central to local government are not sufficient to give one option a significant advantage over the other.

Taking these judgements together, I believe that the option of separate City and County Councils, with a significant extension to the City Council boundary, is much better substantiated by the arguments presented in the reports and by the international evidence base.

References

Maarten A. Allers and J. Bieuwe Geertsema (2014), *The effects of local government amalgamation on public spending and service levels. Evidence from 15 years of municipal boundary reform*. Groningen: University of Groningen.

Tony Bovaird (2014a), "Efficiency in third sector partnerships for delivering local government services: the role of economies of scale, scope and learning", *Public Management Review*, 16 (8): 1067-1090 (2014).

Tony Bovaird (2014b), *Community Democratic Governance: Evidence Synthesis and Advice*. Research Report 109/2014. Cardiff: Welsh Government.

Tony Bovaird and Elke Loeffler (2014), *Bringing the power of the citizen into local public services – An evidence review*. Research Report 110/2014. Cardiff: Welsh Government.

Richard Boyle (2015), *Overview of selected international experience with local government reorganisation, mergers and amalgamation*. Dublin: IPA.

Dermot Keogh and Theresa Reidy (2015), *Minority report*. Appendix to Smiddy Report (see below).

OPW (2013), *'Accommodating Change – Measuring Success': Property Asset Management Delivery Plan*. Dublin: The Office of Public Works.

J. C. Panzar, and R. D. Willig (1981), "Economies of Scope." *American Economic Review*, 71 (2): 268–272.

Smiddy Report (2015), *Local Government Arrangements in Cork: Report of the Cork Local Government Committee* (chaired by Alf Smiddy). Cork: Cork Local Government Committee.

Appendix 1

The cases presented in the Smiddy Committee majority and minority reports

In the following tables, I set out my comments on key points made in the cases presented by the two options in the Smiddy Committee report – the majority report and the minority report.

I have arranged these comments against the criteria which I have identified above as those which have been given most weight in practice in the two reports. In addition, I have commented on the proposals of the Majority Report in relation to the functions which should be carried out by the unified City and County Council which it recommends.

Comments on the Majority Report

Page	Issue	Statement in Majority Report	Comment
22	Functions	The main traditional functions of local government include the areas of housing; planning; roads; water supply; sewage collection and treatment; environmental protection; and recreation facilities and amenities.”	There is no mention of governance – this suggests that the approach being taken to the analysis is service dominated, rather than governance-oriented.
25	Functions	“In fulfilling these functions there is an increasing recognition that local authorities must work with the community and other organisations to address issues and problems. In this respect they act as leaders and facilitators of change. Local authorities need to further develop their community and economic development leadership role. This role is broader than the direct service provision role, recognising the need to act in partnership with others for the development of the county or city. In many respects, under this guise the local authority can be seen as the catalyst for change and development, bringing together local and national interests and making things happen. Economic development, sustainable transport, ‘smart cities’ and environmental management are examples where local authorities have a leadership role to play.”	It seems odd that the report does not explore the extent to which these functions might need to differ between urban and rural areas.
59	Functions	“An economic development unit should be established to promote and coordinate an integrated approach to development.”	It is not clear why the majority report makes this recommendation – there is no argument made to suggest that it knows more about the pros and cons of this than would the new councillors elected to the unified City and County Council.
59	Functions	“[T]he role and status of the metropolitan/municipal divisions and metropolitan and municipal districts should be enhanced beyond that of current municipal districts by assigning appropriate functions that are currently confined to city/county	It is not clear why the majority report suggests that these functions should be provided directly by statute – there is no argument made to suggest that this should be the case.

Page	Issue	Statement in Majority Report	Comment
		councils to divisional and district level in Cork. These functions should be provided directly by statute.”	
21	City region	“More specifically with regard to second cities such as Cork, <i>Second Tier Cities</i> by the European Spatial Observatory Network (ESPON, 2013) concludes that urban policy at national and EU level needs to recognise the potential of second-tier cities as part of national economic development and to pursue stronger, more explicit and economic place-based urban policies that support city-regions at all levels of the urban hierarchy. The report recommends more devolution of powers and more integration of functions at the city level with an emphasis on local leadership.”	It is strange that, in the section on city regions, the majority report gives the final word to this quote, which appears to emphasise the role of cities.
25-26	City region	“There is also recognition that many of the existing local authority functions require them to take an increasingly regional or sub-regional perspective on issues. For example with regard to economic development, waste management and environmental protection, there is a move to greater regional coordination and arrangements.”	This appears to be an argument for regional, rather than city-region, government.
26	City region	“There was a strong sense that economic development is a key driver of change with regard to the mergers. Also, in the cases of Limerick and Waterford, the key role of the city as the driver of development for the city and county was noted, with the importance of resources being maintained for the metropolitan district and the majority of council members and the population being in the metropolitan district.”	The comparison with Limerick and Waterford is not taken very far in the majority report, which suggests that it is not seen as very relevant for the much larger (and more rural) county of Cork.
48	City region	“Amalgamation would strengthen the positioning, status and image of Cork city globally, and also the entire Cork region, and help spearhead and create a new drive, energy and focus, on the back of substantial FDI and related experience and knowledge secured in the city and county over many decades.”	There is no evidence for the level of FDI currently and in the recent past, nor on its preferred location in the Cork city or county area. The arguments of existing business, e.g. the contributions to the consultation by the business community in Cork are split in their conclusions and are, in any case, based on different criteria from those which will

Page	Issue	Statement in Majority Report	Comment
			be used by inward investors. This lack of evidence is surprising and it would be useful if it could be rectified before a final decision is made on local government structure in Cork.
49	City region	“By combining the two authorities the enlarged city would be centre stage in the unified structure, and would be the epicentre and powerhouse of the region. In addition, a deputy chief executive position could be created with designated responsibility for Metropolitan Cork, and also for economic development for the entire authority.”	The position of the enlarged city would depend on the power balance in the new County/City Council – if the city was outnumbered in councillors, as in population, then this vision of the city’s role as ‘centre stage’ would be dubious.
50	City region	“A single council would be best placed to ensure the full integration of local government services on a regional basis, and the creation of centres of excellence regionally for all primary services, including economic development, planning and social housing, etc. In this way the expertise of management and staff would be leveraged and used for the benefit of all of Cork and all citizens.”	However, this argument is not a local government argument but a regional argument – how big should the region be? If this is the main consideration, why not take in adjacent counties also? Are there eventually diseconomies of scale? If not, a larger region would be justified on this argument. If so, what are they – and is it clear that they do not apply to the merged Cork authority?
55	City region	For these reasons the majority of the Committee believe that the evidence strongly indicates that boundary extension is not an option that should be pursued for Cork, and indeed would be hugely detrimental to the future development of the city region.”	This comment seems odd. The majority report accepts that no change is not an option. Consequently, it follows that, if its recommendation for a unitary authority is not accepted, the other option involving an extension of the current Cork City Council boundary is its preferred fall-back option. So it is hard to see how it can describe this option as ‘hugely detrimental to the development of the city region’.
56	City region	“It is not clear how the area which would remain the responsibility of the county would work organisationally or structurally. This area would not be a cohesive unit, would have no clear focal point and would be far removed from the existing council headquarters.”	This comment seems to greatly overstate the level of changes involved in moves to a boundary based on either the green line or the black line.
58	City region	“Historical evidence tells us that boundary extension has not and cannot work despite numerous failed and deeply acrimonious attempts over the last 50 years”.	This is certainly backed up by the historical evidence – however, it would also suggest that the prospects for a merged County/City authority are likewise grim. It is

Page	Issue	Statement in Majority Report	Comment
			perhaps better to assume that, once the acrimony associated with any change in local government structures has simmered down a little, there will be sufficient goodwill on all sides to make a success of the chosen option, however unpopular it will inevitably be with some key stakeholders concerned. It is also important to note that what has not worked historically is the <u>agreement</u> on a boundary extension – there is no reason to believe that once implemented, such an extension would not work.
60	City region	“Meetings of the City and County Council should focus on a limited number of key strategic issues for the authority. The structure of the unitary council should be addressed by the implementation group. A possible alternative to full unitary council meetings of 86 members would be for a smaller number of members to be appointed to meet at full unitary council level from the three divisions.”	This is a revealing comment – it suggests that the solution of a unified Council is recognised to be appropriate for strategic issues but not for more local issues. This, in turn, suggests that the majority report is actually concluding that a two-tier solution would be most appropriate, with a unified County for strategic issues, and district councils to run all local functions. However, their recommendations shy away from this, proposing instead ‘divisions’ to run local functions, the status, power and budgets of which are not considered in any convincing detail.
39	Rural-urban differences	“.. cooperation between cities and their surrounding areas, within these functional urban areas, is necessary and should be based on a shared vision. The need for access to a wide range of resources, such as local food chains and food production, natural heritage, sports, leisure and recreational facilities, means that cooperation is essential to increase the sustainability and overall quality of life for everyone. Availability of land and lower real estate prices outside the city are important assets for locating functions that serve the whole metropolitan area and that require a lot of space. On the other hand, hub cities are often the main attraction for visitors, who also make use of surrounding areas. Due to their size,	This is an important point, well made. However, it does not mean, as the majority report seems to think it means, that there is no longer a need for a boundary between urban and rural authorities. Since the needs and capabilities within each of these types of area continue to be different, the conclusion from this paragraph should be that areas which are similar in their needs and capabilities should have separate governance arrangements, while their interdependencies with other (dissimilar) areas need to be managed in a collaborative fashion. It is noticeable that neither this analysis, nor either of the

Page	Issue	Statement in Majority Report	Comment
		metropolitan areas can provide services to benefit both those who live in the city and those living in more rural surrounding areas e.g. hospitals, culture, waste and water management and treatment as well as connections to major transport systems. This situation challenges the traditional perception of two clearly different types of regions: urban and rural.”	two international studies mentioned in this section, mention governance as an issue in relation to urban-rural differences – this is a very services–dominated perspective, which is perhaps one reason why the majority report tends to minimise the implications of the key differences between urban and rural areas.
5 and 47	Rural-urban differences	p. 5: “Two separate authorities would lead to more divergent and potentially conflicting views on what is best for Cork. Planning for balanced economic and social development would become more difficult.” p. 47: “If two separate authorities are retained, with an enlarged city and a smaller and likely weaker and more isolated county, this would lead to potentially more divergent views on what is best for Cork, given the authorities would have significantly different natures in a new configuration.”	These are very significant admissions. They suggest that the interests of the two different areas are quite different. It therefore seems problematic to try to hide these differences by rolling them into one local authority – the most likely outcome is that the interests of the weaker party will be submerged. This approach is not consistent with a belief that local government is at its best when it is local, not regional, and is representing the interests of clearly defined local areas which embody a sense of local identity.
48	Rural-urban differences	“Furthermore the availability of serviced lands in these satellite towns will draw development into these areas, potentially to the detriment of a focus on development in the city centre.”	This is surely a matter for the city to determine. Would a unified authority give more priority to the requirements of Cork City centre than would a larger Cork City Council? If so, what possible arguments would justify it in doing so?
50	Rural-urban differences	“The new single council model would strengthen democracy within the Cork region. A cornerstone of the new model is that citizens throughout the county will be put first. All existing local government anomalies in services between the city and county would be eliminated. This amalgamated local government model will open up the city to the county and the county to the city, with the city at the heart of the Cork region and with a consistent approach for all Cork citizens. In this way, amalgamation will strengthen local government and democracy in the region with the citizen coming first.”	This seems on the face of it to be optimistic, to say the least – the current imbalances within the city and within the county would not necessarily be eliminated by the amalgamation, so there is little reason to believe that the ‘existing local government anomalies between the city and county’ will be eliminated.
55	Rural-urban differences	“Two separate authorities, with an enlarged city and a smaller county, would likely lead to potentially more divergent views on	This comment suggests that the interests of the two areas of Cork – metropolitan and rural – are potentially

Page	Issue	Statement in Majority Report	Comment
		<p>what is best for Cork than currently. This increases the challenge of coordinated planning for balanced economic and social development.”</p>	<p>divergent. The purpose of local government is to allow local differences to shape local solutions. Trying to cover up these differences by establishing a bigger authority with a wider geographic remit would be likely simply to lead to key differences being neglected and the less powerful interests in the County being overwhelmed by the more powerful interests. Neither of these outcomes is desirable. Both the metropolitan area and the non-metropolitan area of the County are more likely to have more appropriate services if allowed to shape this choice for themselves.</p> <p>The corollary, of course, is that conflicts between the County and the City on issues where each other’s actions have deleterious consequences on each other (and this usually relates to only a small range of local government activities, particularly allocation of development land and regionally important infrastructure facilities) would need to be resolved by some supra-authority mechanism. This is not meant to suggest that interference from central government is appropriate. Resolution of such conflicts is one of the roles which the regional assembly level might be expected to play. (If such assemblies are to be worthwhile, of course, it may be necessary to give them more powers, particularly powers devolved from central government – but that is not a topic for this review).</p>
55	Rural-urban differences	<p>“In an enlarged city it will be more difficult to focus on the city centre, with the satellite towns likely taking more development.”</p>	<p>This again seems to cast doubt on the ability of local councillors to make locally relevant decisions – something which would not be expected in a report about how to increase the effectiveness of local government. An equivalent argument might be that, if the unified authority does not occur, the councillors in the more rural part of the</p>

Page	Issue	Statement in Majority Report	Comment
			County might find it more difficult to focus on the development of the most rural areas, rather than the areas bordering on the newly-enlarged City Council area. In both cases, surely the response should be: well, that decision should properly be theirs, shouldn't it?
51	Rural-urban differences (service commissioning v. service delivery)	“In many cases amalgamations are seen as important in strengthening the professional capacity of local authorities as much if not more so than improving efficiency. A key issue here is building and retaining capacity to ensure that services are maintained and developed and to attract and retain suitably qualified staff. It is about developing an organisation that can create centres of excellence, and has sufficient capacity and a critical mass to develop all levels of staff and create succession planning to support personal and organisational needs. The focus is on securing, maintaining and developing the highly skilled staff needed to manage the increasing complexity within local government services.”	Here it is important to distinguish between service planning, prioritisation and co-ordination (the ‘commissioning’ approach) and service delivery. The argument here conflates both. It is possible – although nowhere demonstrated in the report – that service delivery would be improved by consolidating groups of service delivery staff, with a greater diversity of skills – this is the economies of scope argument. This possibility is certainly not an argument for amalgamation <i>per se</i> – shared services and partnership working could equally achieve this purpose. However, there are likely to be significant differences in the capacity of a local authority to understand genuinely local differences in needs and in the capabilities of citizens to organise themselves. Here, being close to local people is important and being part of a wider entity is a threat to effective working. This governance argument appears not to have been given much, if any, weight in the majority report.
51	Rural-urban differences (service commissioning v. service delivery)	“A smaller county would remain one of the larger local authorities in Ireland, but would face challenges of resilience in the longer term in comparison to the current situation and in comparison to a single council. In a two authority scenario, the ability of the county to address service delivery needs would be affected, in part depending on the scale and nature of loss of staff from the county to the new city council.”	This seems to be an argument for larger authorities across the whole of Ireland, rather than an argument about the ideal arrangements in Cork! However, the final sentence is an interesting recognition that the foregoing arguments are essentially about service delivery, rather than service commissioning and wider governance issues. They therefore are not to do with the configuration of local authorities as such but more about the way in which service delivery is commissioned by the political decision-

Page	Issue	Statement in Majority Report	Comment
			makers. More shared services or partnership working would also address exactly the same issues of resilience.
4-5	Efficiency savings	“The different back office systems and processes will be streamlined and a simplified approach for citizens throughout the region introduced. This consistent approach for all Cork citizens, combined with political governance structures that put the city and metropolitan area at the heart of the council, will strengthen local government and democracy in the region with Cork citizens being put first.”	This sounds interesting, although no details are given. It does raise the question, though, as to why this hasn’t happened in the two existing councils? And why would it be more likely to happen in a unified council than in new but separate City and County Councils, each of which would be amongst the largest local authorities in Ireland?
26-27	Efficiency savings	In Tipperary, for example, by February 2015, payroll savings in excess of €3 million have been noted. This figure is based on departures since the merger was announced, less those posts refilled with the approval of the Department of Environment, Community and Local Government.”	The majority report does not suggest that these are efficiency savings – they may simply represent cuts and may therefore represent a reduction of efficiency, if service outputs or outcomes have fallen even more. However, the majority report does mention “There have also been efficiencies and staff time freed for other priorities associated with the elimination of duplication of some activities, such as the need now for only one development plan, one annual report, one set of accounts, one audit etc.”, although these remain unquantified.
49	Efficiency savings	“The unitary council would meet on a bi-monthly basis, focusing primarily on high level strategic issues such as planning (development plan and local economic and community plan), budgeting and county-wide issues in areas such as housing, roads and the environment. Divisions and municipal districts would meet monthly, with the maximum possible delegation to these levels. The county submission proposes a working model that provides the basis for how such an arrangement could work.”	This appears to entail that, for the non-strategic services, the council infrastructure and overheads would now cover three council entities, rather than the current two.
51	Efficiency savings	“A reduction in the cost of business to businesses should follow.”	This seems a strange statement – any efficiencies achieved will result in a reduction in the cost to some stakeholder or other, or else an improvement in service – WHICH

Page	Issue	Statement in Majority Report	Comment
			stakeholder will benefit is properly a political decision and cannot be forecast by any commentators at this stage.
53	Efficiency savings	“The savings that have been made generally in local government in Ireland in recent years (such as over 20 per cent reduction in staff since 2008; shared services developments etc. as referenced in section 2.4) mean that any scope for further significant efficiency savings is limited.”	There are some problems associated with this analysis. In the absence of information on outputs delivered, outcomes achieved or citizen satisfaction with local government, it is at least likely that that recent radical and precipitate cuts in staffing have actually reduced the efficiency of local government, in terms of ‘results achieved per Euro spent’. The developments in shared services (section 2.4) refer to some shared arrangements in Laois, Kerry and Offaly County Councils, Dublin City Council – however, no figures are cited to suggest that these arrangements have yet produced efficiency savings.
54	Efficiency savings	“However, there is scope for some efficiencies and savings to accrue from merger. Payroll savings in excess of €3 million per annum have been achieved in Tipperary to date and it is ahead of schedule to meet its targeted savings of €6.1 million per annum.”	Again, these are budget reductions, and may represent reductions in efficiency rather than efficiency savings.
54	Efficiency savings	“Internationally, one of the most rigorous studies carried out, in Denmark, shows savings up to 8 per cent on average from amalgamations.”	This is a selective reading of the evidence, as the international study commissioned by the Committee from Richard Boyle is here quoting from research in Denmark which suggests that the savings come from the second and third years after amalgamation, by which time they amount to about 6% in amalgamated authorities, after which they are not statistically significantly different from savings in non-amalgamated authorities. This 6% saving is, of course, desirable but it represents just one example from the international literature on local authority amalgamations. Furthermore, a more recent study (Allers and Geertsema, 2014) using a similar methodology in the Netherlands but over a much longer period of years than the Danish study, found no significant effect of

Page	Issue	Statement in Majority Report	Comment
			<p>amalgamations on aggregate spending in amalgamated authorities. They do indeed find that, in the long term, spending on administration is significantly reduced by amalgamation - but this is offset by increased spending elsewhere in the authorities, which is not reflected in increased service levels.</p> <p>Furthermore, they claim their results are consistent with the international literature, which they summarise as follows (p. 5): “Econometric analyses also have mixed results. Some studies point to higher spending after amalgamation (Lüchinger and Stutzer 2002, studying Switzerland; Hansen 2011, Denmark; Moisiu and Uusitalo 2013, Finland), whereas others find that amalgamation reduces spending (Reingewertz 2012, Israel; Blesse and Baskaran 2013, Germany).” They point out (p. 5) that “studying spending levels alone [in the absence of information on changes in outputs or outcomes] is insufficient to judge whether amalgamation is successful” and find only two studies which check whether lower spending is associated with lower service levels (although neither used convincing indicators of service levels).</p>
54	Efficiency savings	<p>“The New Zealand Controller and Auditor General found that though the Auckland reforms were not primarily carried out to reduce costs, economies of scale and opportunities to leverage buying power were anticipated from a larger council. The council has reported \$81 million (€55 million) of efficiencies in the first year.”</p>	<p>Again, this claim about savings anticipated in the future has to be treated with caution. If realised, this would amount to about 5.5% of the annual budget of the new authority – but the realism of the claimed savings has not been tested. Nor is it clear that the savings represent efficiency savings, rather than simply service level cuts. In addition, a high proportion of these savings were from consolidation contracts and other procurement changes, most of which would have also been possible thorough shared services or partnership working by the previous authorities.</p>

Page	Issue	Statement in Majority Report	Comment
			<p>Furthermore, the relevance of the Auckland example to the Cork case is not clear – the Auckland reforms involved amalgamating seven local authorities and one regional environmental authority into one mega-authority, covering a third of the New Zealand population.</p>
54	Efficiency savings	<p>“Merger would lead to a reduction of administrative duplication and freeing up, for more productive use, of resources previously absorbed by (a) management/supervision (heads of housing, planning, roads, fire services, libraries etc.) and (b) various processes such as the production of two development plans, sets of accounts, annual reports, rating, corporate plans, audit, etc., involving both staff and non-staff costs. Elimination or reduction in such costs would be a significant benefit of merger, though the benefits of this do not necessarily translate into payroll savings, at least in the short term. Such cost savings and efficiencies would address the need as raised by business representatives such as IBEC in their submission for a more efficient local government service with a focus on cost savings.”</p>	<p>The cost savings under the heading of a) are indeed likely to occur, although costs of duplicated supervision are likely to be relatively small. Moreover, the scope for reduced management costs may be partly illusory, as reduced management costs may come at the expense of services ill-tailored to the differing needs of different areas of the amalgamated authority.</p> <p>The cost savings under b) are again difficult to estimate. While there may indeed be efficiency savings available from amalgamating accounting and audit procedures, the amalgamation of development plans, corporate plans and annual reports may significantly reduce the extent to which these plans and reports are tailored to the differing requirements of different areas of Cork and different organisational units, so that they may be less appropriate and therefore their amalgamation may be inefficient.</p>
62	Efficiency savings	<p>“A savings target should be established by the implementation group in the light of an agreed revised organisational structure and workforce plan.”</p>	<p>This provokes the obvious question: Why? Who will be more competent to determine the appropriate levels of service and appropriate levels of cost than the elected members of the new authority, guided by their appointed officers? By what authority will an ‘implementation group’, with no subsequent responsibility or accountability for the governance of Cork, make such a recommendation? And whose responsibility would it be to take action if this target failed, for whatever reason, to be met? Again, this is a recommendation which threatens to undermine the</p>

Page	Issue	Statement in Majority Report	Comment
			credibility of the Committee as a promoter of directly-elected local government.
63	Efficiency savings	“All functions other than major policy and strategic matters should be dealt with at metropolitan/municipal division and district level on a monthly basis.”	This recommendation seems to undermine the majority report argument that the new unified City and County Council would be able to make significant savings from eliminating duplication of functions and services across the current City and County Councils, since it is now proposing that THREE local entities be involved in decision making on many of these functions.
50-51	Efficiency: Service improvement	“Centres of excellence would be created through unification, and local government citizen/customer service centres set up throughout the region, accessible for and by citizens, fully aligned and integrated, providing regional consistency, citizen friendly services, integrated smart technology, etc.”	This sounds attractive but there is nothing to suggest that this approach would be enhanced by a unified authority. Are there any examples of benchmarking being done which shows WHICH service centres are currently ‘best’ or even ‘good’ practice, so that they could serve as centres of excellence in the future? Without such analysis, this remains a vague ideal, rather than a recipe for practical service improvement.
51	Efficiency: Service improvement	“A unitary authority would create fairer and more equal systems for citizens with elimination of inefficiencies, bureaucracy, duplication, anomalies, etc. (as an example in housing where at present different rules and criteria apply depending on whether you are in the city or county).”	But these different rules were politically determined in the respective local authorities, which is the proper role of elected local government. If the elimination of ‘anomalies’ such as different rules and regulations in different local areas is the criterion for a ‘fairer and more equal system’, then this would clearly be a call for the end of all local government. And, indeed, it is hard to see in the majority report where the authors see local differentiation of policy fitting into the picture.
46	Efficiency: Economies of scope	“Aulich et al. (2011) make a point about what they term ‘economies of scope’ that can arise from mergers that can enhance the role of local government in economic and social development: ...consolidation provides important opportunities	Important, yes – but realised through merger of two very different sets of issues, governance requirements and services? Moreover, economies of scope can come from collaboration and partnership, not just merger. There is a

Page	Issue	Statement in Majority Report	Comment
		to capture economies of scope and enhance the strategic capacity of local government.”	<p>need to examine the New Zealand case studies to see if the evidence does justify such large-scale mergers. Actually, this quote includes under ‘consolidation’ not only mergers but shared services, partnerships, etc.</p> <p>Aulich et al. (2011) actually go on to say (p. 10): “A difficult question to determine is whether economies of scope and development of strategic capacity are stronger with amalgamation than with other approaches to consolidation.”</p>
50	Efficiency: Economies of scope	“Associated with the ‘economies of scope’ argument, it can be contended that a unitary authority would be best placed to capitalise on an enlarged and enhanced staff skill base to develop new and innovative approaches to service delivery.”	Yes, this is potentially true – although the same could be achieved by shared services and partnership working, if it were effective. Of course, this caveat also applies to a merged authority.
41	Governance, accountability and local democracy	“– the implications for political governance and the functioning of local democracy. This includes issues such as local political oversight and accountability, and the role and arrangement of the metropolitan and municipal districts.”	Nothing about citizen engagement!
58	Governance, accountability and local democracy	“Municipal districts, with a metropolitan district for Cork city, should be established in conjunction with electoral area re-definition. The local electoral areas should be reconfigured to produce a greater number of more territorially compact areas which would be more closely identified with local communities and traditional local loyalties and would be more manageable for councillors.”	This concern to achieve ‘a greater number of more compact areas which would be more closely identified with local communities and traditional local loyalties and would be more manageable for councillors’ is admirable. It does seem a great shame, though, that it is simply being sought in order to allocate electors to the locations in which they vote. This is a wasted opportunity – I would have expected the report to consider how citizens might more successfully be mobilised within these new ‘compact areas more closely identified with local communities’ in order to encourage them to engage more actively in local government affairs and to co-produce local public services.
63	Governance,	“There should be the maximum delegation possible of functions	While being very sympathetic to the general tone of this

Page	Issue	Statement in Majority Report	Comment
	accountability and local democracy	to metropolitan/municipal divisions and districts, promoting more effective local government and avoiding over centralisation of decision making.”	recommendation, I am conscious that it tends to be a platitude which is intoned by almost every local authority in Europe, while being observed by almost none in reality. As the majority report gives little analysis of what this ‘maximum delegation possible of functions’ might entail, it seems wise to be highly sceptical of how much this would mean in practice. And it is hard to see a report which recommends a unified City and County Council as one which is focused on ‘avoiding over centralisation of decision making’.
63	Governance, accountability and local democracy	“At national level consideration should be given by the local government advisory group to strengthening the powers of municipal districts so as to secure the maximum possible autonomy and budgetary control.”	This appears a very worthy recommendation, although I remain convinced that the exercise of devolved powers by bodies such as municipal districts should be tailored to local circumstances, and not dictated at national level, according to nationally determined standards. The ugly phrase ‘variable geographies’ seems appropriate here.
48-49	Number of councillors	“The city representational ratio is 1:3846 whereas in the county it is 1:7269 (the national average is 1:4830). Maintaining the total number of councillors (city and county) at 86 would give a representational ratio of 1:6035. Metropolitan Cork with a population of 290,000 would have 48 councillors and the other two divisions 19 councillors each. This gives a strong voice at unitary council level to the city and Metropolitan Cork division. There would be a concern that with boundary extension and an expanded city of 230,000 that the number of councillors would be capped at the current level of 31. This would result in a representational ratio of 1:7419, thereby weakening democratic representation.”	This is surely bogus argumentation. What are the appropriate levels? These are very high numbers of population per councillor, compared to European averages – why shouldn’t there be more councillors in an expanded city? And wouldn’t the large number of councillors in a unified County/City be even more difficult to manage than a larger number of councillors in an enlarged City?
49	Number of councillors	“A possible alternative to a unitary council of 86 would be for a smaller number of members to be appointed to meet at unitary council level from the three divisions. This could limit the size of	What does this do for ‘representation’? This drives a coach and horses through the previously expressed concern for the large population represented by each councillor. There

Page	Issue	Statement in Majority Report	Comment
		the unitary council (say to 30 members) in order to facilitate more streamlined decision making.”	is no attempt anywhere to justify the idea of ‘strategic’ and ‘non-strategic’ councillors – although such arguments could indeed be made (particularly in two-tier authorities).
52	Financial arrangements	“There would be significant challenges associated with setting up arrangements that would (a) finally determine the level of compensation needed from the city to the county and (b) ensure a rigorous, agreed system for transfers between the councils over a number of years.”	This presupposes that the assets (and loans) of the County would simply be transferred to the City. However, there is a simpler solution – namely to transfer all the assets (and associated loans) to a Community Development Trust for the areas concerned, which would manage the assets on behalf of the community, charging an economic rent for them and selling those which are not needed, with the proceeds being available to the City Council for projects in the area with social, economic and environmental benefits. This would avoid all the transactions cost mentioned by the majority report and would be likely to result in a more economical use of the community’s assets, with the potential for more resources to be freed for more valuable community activities.
pp. 55-56	Financial arrangements	“There are major financial complexities associated with boundary extension. These include perpetual payment of subventions from the city to the county, debt transfer from county to city, transfer of assets and liabilities, valuations, and associated legal complexity. In particular the financial net loss to the county to be compensated has been estimated at between €27 and €36 million per annum arising from the extension of the city boundary (depending on whether the green line or black line in Figure 5.1 is used as the city boundary). It is hard to envisage a process that could be agreed that would address such a scale of transfer. And if it were, the money distributed would effectively be lost to the city and hence not available to address the needs of the city, diverting focus and resources away from re-development of the city. A fund of this scale	These difficulties do indeed exist. However, they could be greatly reduced by the foundation of a Community Trust to hold the assets (and absorb the debts) of the new areas being integrated into the City Council area, which would manage these assets economically for the wellbeing of the inhabitants of these areas. Some of the assets might also be subject to Community Asset Transfer under long leases, to be used for local projects and initiatives. Furthermore, it is odd to find here a comment that appears to suggest that it might be better <u>not</u> to transfer the appropriate sums from the new Cork City Council to the County Council, on the grounds that this might take resources away from the redevelopment of the city.

Page	Issue	Statement in Majority Report	Comment
		indeed would pose a serious question on the viability of separate authorities as independent decision-making entities.”	
53	Staffing arrangements	“Regarding staffing changes, if the city boundary is expanded and two councils retained, ... somewhere between 260 (green line boundary) and 370 staff (black line boundary) could be expected to transfer, ... this would represent a substantial shift ... It could be regarded as more the equivalent to a merger of two organisations rather than a minor staffing adjustments ...”	It is interesting, however, that the much larger staff transfer involved in a County/City merger is not discussed in the same terms.
53	Staffing arrangements	“Getting agreement on the numbers and type of staff to move would not be straightforward and unless handled sensitively would run the risk of reducing the skill base available to the county (for example, working for a bigger metropolitan authority may be seen as more attractive for the more go-ahead employee than working for a smaller county).”	This is a rather crude analysis – issues of the likely growth rate of population, service needs, service provision, sourcing of services from alternative providers, and levels of satisfaction of service users would need to be factored in before any such judgement could be made with confidence.
53	Staffing arrangements	“Accommodation would need to be sourced for the staff transferring to the city, which would be an additional cost.”	This again demonstrates the need to differentiate between commissioning and service delivery activities – the latter should not involve any staff location changes, if largely the same services are to be undertaken as before.
54	Staffing arrangements	“In the case of boundary extension, two councils and two executives would remain. There would be significant transitional costs associated with the creation of the new authorities given the scale of staff transfer required.”	This argument seems to assume that amalgamation of the two authorities would have zero such costs of ‘staff transfer’, whereas in fact it is likely that ALL staff in the new amalgamated authority will undergo such ‘staff transfer’, so that these transitional costs may actually be higher for the unitary authority option.
56	Staffing arrangements	“A boundary change of the scale envisaged is effectively a merger for the staff and structures affected. Somewhere between 260 and 370 staff are likely to need to transfer from the county to the city. There would be major challenges associated with this level of staff transfer. There would also be the consequent need to reorganise the staffing of both the enlarged city and the reduced county. The county would lose	This appears to underestimate the staff churn which would be involved in a merger of the two authorities, which would potentially involve almost 2000 staff, not simply the 260 – 370 estimated here to be involved in an extension of the City Council boundary. This latter estimate is, in any case, likely to be substantial over-estimate, given that those staff involved in service delivery are likely not to be

Page	Issue	Statement in Majority Report	Comment
		skillsets that would need to be replaced. Determining past and future pension liabilities to be retained or transferred would also be required.”	involved in large-scale change or in relocation. Of course, it is also possible that the scale of changes being forced on local government by the ongoing implications of the recession may dwarf these changes due to boundary alterations.
60	Staffing arrangements	“The appointment of a chief executive for the new authority is a priority issue and should be progressed as soon as possible. The appointment should be advanced through an open competition process.”	I would expect a chief executive to be appointed by the elected politicians, so this recommendation reads rather oddly. I assume that this is intended to refer to the appointment of an ‘interim’ chief executive?
60	Staffing arrangements	“A deputy chief executive position should be created. The deputy chief executive should have designated responsibility for Metropolitan Cork, and also for economic development for the entire council.”	I see no reason why the majority members of this Committee should have any more insight into the structure of staffing in the new unified City and County Council than will the elected members, so I find it hard to see any justification for this Committee seeking to influence such decisions.
47	Devolution of central government functions	“A further consideration when looking more broadly is the prospects for local government taking on more functions from central government and hence enhancing their strategic and developmental role. A single council speaking with one voice for Cork and with an enhanced skill base of expertise in functional areas would be better placed to argue the case for the transfer of more powers to local government (aspects of health, education and social services for example). In view of the relatively limited role of local government in Ireland there is a good case for greater devolution of functions from central government to local authorities. One council, given its scale and standing, would be harder for central government to ignore or side-line, as has happened to local authorities in the past.”	This is an attractive argument, if such devolution is likely. However, no evidence is given for such a supposition. Moreover, it is likely to be contingent on demonstration of successful working, rather than given in advance. This argues for ensuring that the new local government arrangements must be seen to succeed, rather than that they be seen to be large-scale.
59	Devolution of central government	“In addition to these strategic functions, significant powers and functions should be identified for devolution from central government and state agencies to the unitary authority. This	While I am very sympathetic to the general tone of this recommendation, I can find no arguments in the report to back it up, other than those set out in some previous

Page	Issue	Statement in Majority Report	Comment
	<p>functions</p>	<p>would represent a radical new departure for local government in Cork, bringing it into closer alignment with its counterparts in most European states. It would also provide a model for other parts of the country.”</p>	<p>government reports. Nor does the majority report set out in any detail the arguments for the devolution of specific ‘significant powers and functions’ from central government to the new unitary authority. It states that “The sort of areas that might have potential for devolution include appropriate elements of public transport, tourism, heritage, national parks and monuments, education, community related health and welfare functions, further aspects of economic development, additional planning responsibilities e.g. foreshore licences, and functions of national agencies which are to a significant degree locally or regionally based. The task of identifying specific functions for devolution and appropriate lead-in times could be assigned to an implementation group.” This very vague and general prescription suggests that no significant thought has been given to this proposal.</p> <p>In any case, I would expect that such devolution would have to be earned rather than simply claimed, so it would be likely to be some time before a new authority could convince central government to devolve such powers. Such devolution would surely be more convincing in other parts of the country where a settled local government system can be demonstrated to be performing well and therefore to have ‘earned’ such devolution.</p>

Comments on the Minority Report

Page	Issue	Statement in Minority Report	Comment
10	City region	“Under a revised boundary arrangement, Cork City Council would become one of the largest local authorities in Ireland with a projected population of 230,000; but Cork County Council would also continue to be in the top five in terms of its population at 290,000 and, of course also, geographical territory.”	This raises the question of how these new councils would promote a sense of local identity and how they would activate citizen engagement and co-production. Although the minority report says relatively little about these issues, it appears to be give them more weight than the majority report – and the issues would not be so difficult to resolve in their solution as in the case of a single unified authority.
35	City region	“Even with the generous boundary extension suggested in this report, the city of Cork will have a population of approximately 230,000 while the county of Cork will have a population just over 290,000. The network of large towns across Cork county are vibrant economic and social centres. They benefit from spill-over economic and social effects from the city but future planning for Cork should ensure that they are not subsumed by the city.”	This argument seems convincing and is consistent with most of the international literature on the need for intensive interaction, but not dominance, between metropolitan centres and their hinterland.
37	City region	“The literature speaks to the unique challenges of city regions. Cities must have functional capacity, this means they need to be capable of making decisions in relation to finance, investment, planning and economic development. One of the reasons for the slow development of central areas of Cork city is the high cost of the development of brown field sites. The local authority needs to provide initial investment support, to secure high quality and coherent development. To do this, the city needs to have substantial financial autonomy. It should not be embedded in an institutional structure which would entrench competition for resources across a large geographical area with competing priorities	This argument is again quite convincing. However, some central government contribution to major infrastructural developments which benefit the national economy should not be ruled out, just in order to allow major cities a higher degree of financial autonomy. This means that cities do not have to be quite so large as the financial autonomy criterion might dictate.

Page	Issue	Statement in Minority Report	Comment
		and challenges. An independent city is the only way of guaranteeing optimum investment in urban economic development and infrastructure.”	
39	City region	“Specifically, it found that investment in second tier cities has the potential to yield a greater return than capital city investments. From 2000 to 2007, GDP growth in Cork (city and county) outpaced national growth and growth in Dublin (SGPTD, 2013), indicating that there is a considerable potential base from which Cork can compete both nationally and internationally.”	This is one of the few points at which either report attempts to give any figures on actual economic development – it would be important to have rather more information on the current trends in economic growth in the City and in the rest of the County – and further information on FDI and other investment indicators in the City and County. The absence of this data means that much of the discussion of the economic implications of the restructuring is questionable.
40	City region	“Amalgamating the local authorities of Cork city and county would be going against the trends and governance arrangements that are in place across Europe. Cork city is of critical importance for spatial planning in Ireland. The National Spatial Strategy and successive development plans have singled out Cork city as providing a vital counterbalance to the growth of Dublin and the Eastern region. If balanced national development is to be achieved, Cork city must grow rapidly in the coming decades (as must Cork county). As we have documented, cities lead development and Cork city must be empowered to provide leadership and vision.”	It is unclear whether the European evidence on second cities has any relevance for Cork, given the very different situations of Frankfurt, Lyons, Milan and Barcelona – they do not appear to have any obvious parallels to Cork. The argument that cities drive regions, rather than the other way round, has more relevance. However, it is important to realise that the interdependencies between city and region are also critically important, if both are to benefit from the potential for growth. It is these interdependencies which have to be managed successfully by the choice of local government structure, so I do not consider that this constitutes an argument supporting either an independent City Council or a unified City and Cork Council – rather, it reminds us of a point made earlier in the minority report (but subsequently rather forgotten), that success depends on extensive co-operation with the neighbouring authorities.
10	Rural-urban differences	“Urban and rural areas have different economic and social needs. The requirements for both communities are best provided by focused local authorities that have the capacity	This is an important argument, which highlights the need for local government structures to reflect the variations in the preferences of local communities over space.

Page	Issue	Statement in Minority Report	Comment
		and scale to deliver efficient and effective services to their respective populations.”	
40-41	Rural-urban differences	The evidence presented by Robbins, Turley, McNena (2014) from their research underlines that City councils and county councils are different - their differing <i>foci</i> are evident from the spending practices of different council types.	This is important evidence which is underplayed in the majority report.
42 – 43	Rural-urban differences	“Economic and social development of rural Ireland ... presents particular challenges, no less important or challenging than those of urban areas but they are different. Rural infrastructure is difficult to develop, as the business plan underpinning development may be complex. A longer term focus may often be required. Environmental protection is vital but the focus of policy in county councils must take account of the realities of agriculture, small rural business and dispersed, low density, housing settlements. Policies must support existing communities, while providing for long term sustainability. The housing needs of rural communities are different and social problems such as rural isolation require tailored and targeted responses. The specialised knowledge and teams working on these issues already exist in Cork County Council.”	This is the other side of the coin from the special challenges facing urban areas. It highlights how the needs and capabilities of urban and rural areas are different. Moreover, this paragraph makes a very strong case for suggesting that economies of scope may be rather limited in bringing together the workforces of Cork City Council and Cork County Councils.
43	Rural-urban differences	“Owing to the under-bounding of Cork city, Cork County Council has had to dilute its focus and provide programmes and services on the edges of Cork city. ... [C]lose to 80,000 people actually live in Cork city but, for administrative purposes, they reside in the territory of Cork County Council. In submissions to the committee, it was mentioned that the services provided to citizens in the Cork county area of Cork city were of a lower standard than those provided within the city. Impressions cannot be used to make decisions but the financial evidence speaks to lower levels of investment by the county council <i>per capita</i> and this is the case on the edges of	There are two different points here. One is that the City Council may well have had, over the past decades, to make extra provision for citizens living close but outside its boundary, to compensate for the under-provision of infrastructure and services by the County Council. This has been a financial burden to the City, which would cease once a boundary extension took effect. Second, whether or not this constitutes an ‘inequity’ depends on whether it corresponds to the wishes of those citizens living in these boundary areas – if they have willingly chosen a

Page	Issue	Statement in Minority Report	Comment
		the city more so than in other areas of the county. This is an inequity which should not continue.”	combination of (lower local tax, worse local services), then this constitutes an example of appropriate local government diversity, reflecting the diverse wishes of different local communities. If, on the other hand, they feel they have had to accept this tax-services package as a sub-optimal deal, e.g. because they could not afford the higher housing costs in the City Council area, then this pattern would indeed constitute an inequity and one which would be appropriately dealt with by a boundary extension.
43	Rural-urban differences	“The focus of the county council is different. There is a much stronger rural dimension and policies specific to rural requirements must be prioritised. It is inequitable to diminish the economic and social needs of such a large county by diluting its objectives.”	Again, this is an admirably concise statement of the advantages of avoiding having councils which are highly diverse in the needs and capabilities of their residents.
55	Rural-urban differences	“Urban and Rural areas have distinctive economic and social needs which require policy specialisation and clear operational boundaries. Diversity of settlement patterns must be maintained and rural and small urban communities must see investment and have policies which are tailored to their specific needs. City Councils and County Councils have different priorities and must continue to meet the differing, but equal, needs of their populations. Two councils in Cork which would both be very large, by national standards, are best placed to deliver efficient and effective services. Cork City Council and Cork County Council have separate, but complementary, objectives and these objectives are best met with two local authorities focused on delivering for their respective communities.”	This is a good summary of the arguments in the minority report and encapsulates the main reasons why I agree with their conclusion (with the two caveats that I believe more attention needs to be paid to inter-authority working, not only in Cork county but beyond, and that I believe more attention needs to be paid to how both the City and County Councils will more effectively engage with the citizens and service users to promote co-production of services and publicly-desired outcomes).
44	Efficiency savings	“It is true to say that the overall trend in European countries is towards larger local government units but this point must be made within the context of the far smaller units which	It is worth pointing out that in France it is general practice for small local authorities to come together in clusters (often up to 10 or more authorities) to form a PPP with a major national

Page	Issue	Statement in Minority Report	Comment
		<p>exist at local government level in a great many countries. France, Germany and Spain are large geographically and culturally diverse states and their governance arrangements are not an ideal comparator for Ireland but it is worth noting that the average population of local authorities in these countries is, respectively, 1,600, 5,629 and 4,900.”</p>	<p>public service provider, which then negotiates different services (and qualities of services) in each local authority. In this way, economies of scale and scope in service provision (through the external provider) are consistent with locally decided priorities on service levels and service standards. This reminds us that the size of authority which is best for service commissioning may be very different from the size of organisation which is best for service delivery. (This may be why most small French local authorities have little interest in amalgamations). This distinction between service commissioning and service delivery could usefully have been made more forcibly in both majority and minority reports.</p>
54	Efficiency savings	<p>“An important point which was made in submissions to the committee, in relation to service provision, is that too much is made of the duplication of service provision. It is not useful to think of local authorities as providing duplicated services. Local authorities provide the same services but in different geographical areas. This point is fundamental to understanding why amalgamations in many jurisdictions have not delivered the financial savings which have often been projected.”</p>	<p>This is a good point – but it is important to note that it refers mainly to directly provided services, rather than to administration, where there can indeed be some duplication.</p>
8	Governance, accountability and local democracy	<p>“We also recommend that the already strong horizontal co-operation between Cork City Council and Cork County Council be placed on a formal basis, with joint committees of both councils established to lead strategic policy, especially in the areas of economic development, planning, transport and international co-operation. These committees should be established on a legally binding basis and policy agreed at this level should be binding on both councils. Cork can become a model of regional co-operation, to be replicated in other regions of the country.”</p>	<p>This is a key recommendation for dealing with the strategic issues which cross Council boundaries – but it is not followed up in detail in the rest of the minority report.</p>

Page	Issue	Statement in Minority Report	Comment
26	Governance, accountability and local democracy	“Cork, the second city in the country, has been impeded in its growth and democratic governance by inaction on the part of central government to engage in timely and systematic reform of the Cork city boundary. The absence of decisive action by central government during the past fifty years was, at best, a policy of benign neglect. The expectation that the two local authorities would arrive at a solution by consensus never had any prospect of success. In such a process, the County authority always had, and could exercise, a veto over a boundary extension.”	This analysis has a number of consequences. First, it reinforces the point that the interests of the County and the City are strongly opposed (at least in the views of their leading politicians), which suggests that bringing them together will simply promote a power battle. Second, that the prospects for joint working in the future do not appear favourable, so solutions based on joint working should be regarded with caution. Third, calling on central government to act as adjudicator has also not worked during this period. On balance, finding a way to make the contesting points of view find a compromise would seem more consistent with the principle of subsidiarity, to which the minority report strongly subscribes, than allowing central government to interfere in what is a fundamentally a local (or at most regional) issue.
37	Governance, accountability and local democracy	“In the discussion on the governance arrangements of cities and metro areas, the OECD report comments that the most successful cities are those that have extensive co-operation with the neighbouring authorities. This is not an argument for amalgamation, it is an argument for shared governance and the creativity required to manage urban areas in the Twenty First Century.”	This is a fundamental point, which is insufficiently recognised in the majority report. If such mature partnership working is not available between local authorities, then amalgamation is not the obvious answer, since it is likely not to be available within the unified authority either. The answer is to set up pressures and incentives for improved partnership working, not to ignore the current deficiencies.
45	Governance, accountability and local democracy	“It is intended that municipal districts, which were established under the Local Government (Reform) Act (2014), will become a local decision making entity. The municipal districts have many advantages over the old system of town councils, not least that they uniformly cover the entire county. But, at present, these structure are evolutionary and, fundamentally, it is not intended that they will ever have budgetary powers. As a consequence, any intention that they become a substantive agent of local government lacks the understanding that decision making, without financial	This is a fundamentally important point, which appears to have been ignored in the majority report. Both in theory and in practice, organisational units which have no budgets but only ‘advisory’ roles have little power and make little difference to practices or outcomes. Consequently, their affairs and decisions attract the attention of only a small minority of the population, usually seen as unrepresentative, thus undermining their legitimacy. The majority report gives some weight at a number of points to the fact that ‘divisions’ will be established in the new Cork City and County unified

Page	Issue	Statement in Minority Report	Comment
		powers, is a sub-optimal scenario.”	council (with Cork city being part of one of these divisions) but it does not discuss how it will avoid these divisions been seen as purely administrative conveniences, rather than as real decision-making entities.
46	Governance, accountability and local democracy	“The economic crisis in Ireland precipitated a crisis of governance. Political and administrative structures were challenged by the scale of the economic crisis and a broad based political reform movement, which included political parties, civil society advocates, business representatives and academics, presented detailed plans for political and administrative renewal. All plans recommended greater devolution of powers to local authorities, enhanced financial autonomy and stronger political accountability. The crisis narrative included considerable criticism of the overlapping and small scale of political elites and there were recommendations that the base of decision making needed to be broadened. Amalgamation does nothing to deliver on any of these objectives.”	This is an intriguing part of the analysis of the minority report. Its conclusion perhaps does not go far enough – not does amalgamation not delivery on any of these objectives, neither does a boundary extension. Bringing more citizens into the decision-making process and the co-production of public services would be a more radical way of broadening ‘the base of decision making’. This would not in itself make the City Council or the County Council less relevant as a decision making body for strategic issues – but it might mean that a further level of devolution of decision making to active neighbourhoods and communities might be relevant, at least in those areas which wanted it. This issue appears to be largely neglected in both majority and minority reports, which goes against trends in the rest of Europe and, indeed, in most OECD countries. It is possible that this issue will be further up the agenda when the next series of discussions on local government reform in Ireland comes around.
46	Governance, accountability and local democracy	“In the extensive discussion on the governance arrangements of cities and metro areas, the [OECD] report comments that the most successful cities are those which have extensive cooperation with the neighbouring authorities. This is not an argument for amalgamation, it is an argument for shared governance and the creativity required to manage urban areas in the present century.”	This point was first made on p. 37 of the minority report but does not recur until here – this is rather disappointing, as it of fundamental importance. Again, on p. 48, we find: “Governance arrangements at local government level do need substantial updating in Cork. There is a manifest case for greatly enhanced horizontal co-operation across the two local authorities. Cross regional co-operation in governance and joint administration of some services will deliver greater policy coherence and optimize efficiencies in service delivery.”

Page	Issue	Statement in Minority Report	Comment
48	Governance, accountability and local democracy	“It is vital that co-operation in economic development, strategic planning, external relations and transport is mandated between Cork City Council and Cork County Council. Quite like Manchester, there is a strong history of co-operation between the two councils in Cork. ... Development and transport plans such as the Land Use and Transport Study (LUTS) and the jointly agreed Cork Area Strategic Plan (CASP) speak to the depth of the co-operation while initiatives such as the Smart Cities scheme demonstrate that collaboration is spread across the service areas of the two local authorities.”	But then there is NOTHING more written on this!!!
47	Governance, accountability and local democracy	“Amalgamation of local authorities in Ireland is partly informed by a centralising logic which presumes that vertical co-ordination is enhanced by reducing the number of units involved in the governance system. Vertical co-ordination may come at the expense of subsidiarity and may also undermine the capacity of local government to be both responsive to citizens and accountable to them.”	<p>This is an important point – however, it requires a different set of criteria to be used in order to identify how to increase “the capacity of local government to be both responsive to citizens and accountable to them”.</p> <p>The majority report pays little attention to these issues, and its recommendation for a unified City and County Council does not appear to have been designed with either responsiveness to citizens or accountability to them in mind. However, the minority report also does not go into detail about how these criteria will be met by its proposed option.</p>
50	Governance, accountability and local democracy	“There is also evidence from the international literature that large local authorities are less responsive to their citizens (Callanan, Murphy and Quinlivan, 2014). One of the concerns raised by the elected representatives of Cork City Council, in their meeting with the Committee, was that an amalgamated authority for Cork would have 500,000 citizens and nearly 100 councillors. They argued this would lead to a huge bureaucracy and complexity in decision making and the distance between the citizen and the local authority would be	This is an important argument – but local authorities of over 200,000 are not very close to their populations either – it is therefore disappointing to find that neither the majority or minority report considered in any detail how this potentially damaging failing of the new local government structure in Cork could be overcome.

Page	Issue	Statement in Minority Report	Comment
		increased. They were of the view that this would intensify the social dislocation experienced by disadvantaged communities in the city.”	
45	Number of councillors	“Broadly, there is one councillor for every 5,000-6,000 citizens in Ireland. ... The figures are far lower in many EU countries. In France the ratio is 1:400, Finland 1:410 and the Netherlands 1:1700.”	This point is highly significant if there is an intention to give citizens a bigger role in public decision-making and public service co-production in the future. The small number of councillors in Cork at the moment (and envisaged in both these majority and minority reports for the future) is inconsistent with intensive public interaction with councillors. If the discussion over the future of Cork local government moves on to give more attention to the role of citizen engagement and service user co-production, as I believe it ought, then there will be pressures to ensure that the body of councillors in the city and county have the capacity and necessary support to deal with highly activated citizens – and this may entail an eventual increase in the number of councillors.
52	Financial arrangements	“[On financial compensation} A balance must be struck. Cork County Council has responsibly administered the areas under discussion over many decades. There were opportunity costs for the county in relation to the investments made in urban Cork and this must be acknowledged. However, the areas under discussion do not belong to local authorities They are sovereign territory and administered on behalf of citizens by local authorities.”	I think this an important point, well made.
52	Financial arrangements	“All debts held by Cork County Council and associated with lands, housing developments and infrastructure in the changed boundary area should transfer to Cork City Council.”	This has a logic attached to it, if all the relevant assets are similarly transferred. However, this would be an opportunity wasted. There are a number of trends which mean that the management of assets by the public sector now has to change

Page	Issue	Statement in Minority Report	Comment
			radically – indeed, a recent government report in Ireland (OPW, 2013: 4) makes the point: “Government policy on Property Asset Management and contraction in overall public service numbers have increased the need for much greater flexibility in terms of matching property requirements to changing service delivery systems e.g. one-stop shops, online services and accommodation sharing.” Moreover, the management of assets and debt by local government has long come in for serious criticism and has been the subject of multiple proposals for reform, including pooling of assets between authorities and transfer of relevant assets to community groups (e.g. through long-term leases) .
53	Staffing arrangements	“Data provided to the committee suggests that between 200 and 300 staff may need to transfer to Cork City Council from Cork County Council. These staff are involved in the management and delivery of services in the extended boundary area. A larger number of staff carry out part of their work in the territory that will be transferred and the extension will allow for some reorganisation of the responsibilities of these staff in Cork County Council. ... It is also vital to mention at this point that local authorities urgently need to recruit new staff, if they are to maintain current service delivery levels and quality.”	It seems odd that the minority report does not at this point return to its previous point about collaboration between authorities, given the key competences of those staff who will be transferred between authorities, or will have experience of working in an area which is now the responsibility of a different local authority. Surely, this opens up possibilities for joint working to a degree not previously possible? Why treat the knowledge of these staff, arising from their past work experiences, as now irrelevant to the services delivered? Why not regard these changes as the foundation of a new bank of inter-organisational knowledge and arrange for joint working to take full advantage of it?



governance
international[®]

Achieving citizen outcomes

Governance International is a non-profit company which is a leading provider throughout Europe of research, toolkits, training and coaching on issues of public governance, public service reform and co-production. Its website contains more than 50 co-production case studies, many of which have recently been integrated into the OECD Observatory of Public Sector Innovation (OPSI). Clients include the OECD, European Commission, Council of Europe, UK Cabinet Office and Department for Communities and Local Government, Welsh Government, Scottish Joint Improvement Team, and many regional governments and local authorities in Europe and around the world.

Contact details

Professor Tony Bovaird
Director, Governance International

Web: www.govint.org

Email: tony.bovaird@govint.org

Twitter: [@govint_org](https://twitter.com/govint_org)