

National Oversight and Audit Commission

Local Government Efficiency Review Reforms

NOAC Report No. 5 – April 2016

NOAC (the National Oversight and Audit Commission) was established in July 2014 under the Local Government Reform Act to provide independent oversight of the local government sector. The statutory functions assigned to NOAC include the monitoring and evaluation of the implementation of public service reform, including enhanced efficiencies by the local government sector. The appended report was provided to NOAC by the Programme Management Office of the Local Government Management Agency and the figures in that report and referenced by NOAC have not been the subject of an independent validation process.

Local Government Efficiency Review Reforms

A function of NOAC, the National Oversight and Audit Commission established under the Local Government Reform Act 2014, is to monitor and evaluate the implementation of public service reform, including enhanced efficiencies, by local government bodies. In the context of this function, NOAC decided, in February 2015, to seek a progress report from the Programme Management Office (PMO) of the Local Government Management Agency (LGMA) on the implementation of the public service efficiency reforms as recommended by the Local Government Efficiency Review (LGER) and the PMO's report – **Local Government Efficiency** – is appended. Information was also sought from the PMO on the business cases applying to shared services projects and these projects are the subject of a separate report (NOAC Report No. 6 – Local Government Shared Services Projects) also published on NOAC's website www.noac.ie.

Information Sought

NOAC's request to the PMO sought:

- a list of the LGER reforms/proposals that have been fully implemented,
- a list of the reforms/proposals that are in the process of being implemented with the projected completion dates and a comment on the status of each one,
- a list of the reforms/proposals that have not been or will not be proceeded with and an indication of the status of each one (i.e. whether rejected or deferred and the rationale for the relevant decision).

Arising from NOAC's request, subsequent discussions with the PMO and reviews of draft responses, the appended report to NOAC was reviewed by the Public Sector Reform Oversight Group on 17th February 2016 and considered by NOAC at its meeting on 24th March 2016 and referred to its PMO sub-group for final consideration. The sub-group reported back to NOAC's meeting of 26th April 2016 where the appended report was approved for publication.

Local Government Efficiency Review

In December 2009, a Local Government Efficiency Review Group was established by the then Minister for the Environment, Heritage and Local Government to carry out an independent review of the cost base of, expenditure by, and numbers employed in, local authorities.

The Review Group, which presented its report to the Minister in July 2010, made 106 recommendations and identified a range of efficiency savings and other revenue options. These totalled €511m annually (€346m in efficiency savings and €165m in improved cost recovery and revenue-raising) of which €93m related to areas that are now the responsibility of Irish Water.

The Local Government Efficiency Review Implementation Group was established by the Minister for the Environment, Community and Local Government in April 2011 to oversee implementation of the recommendations in the LGER Report. Its first interim report was published in July 2012 and its second progress report to the Minister was published in July 2013. The latter reported that €561m in savings were achieved from 2010 to 2012, of which €229.6m related to efficiency measures as

opposed to savings resulting from a reduction in activity. Considerable savings were achieved from the reduction in local authority staff that commenced in 2008 and continued since the publication of the LGER report, so that by end 2014 the number employed represented a reduction of 23.42% since 2008 and 12.7% since 2010.

Programme Management Office

A dedicated Public Sector Reform Oversight Group (PSROG) in the local government sector with the capacity and mandate to manage and deliver the reform programme through all county and city councils was established by the County and City Management Association (CCMA) in January 2012 as an important contribution to delivering and reporting on efficiency gains. The CCMA set up the PMO as the executive structure to assess and implement a range of projects aimed at advancing the local government efficiency reform agenda. In March 2015, the PSROG was integrated into the structures of the Local Government Management Agency as a sub-committee of the Board of the LGMA and the PMO became an integral part of the LGMA.

Local Government Efficiency – Report Summary

The appended report on the delivery of the recommendations of the LGER Group 2010–2015 outlines the 106 recommendations, the 2012/2013 position in relation to their implementation and the position as at end 2015. The background colour coding indicates green for *fully implemented*, red for *not implemented*, amber for *on hold*, blue for *on-going implementation* and yellow for *implementation of a modification* of the original recommendation to reflect a new policy initiative.

As summarised in the report, the overall position is that by end 2015:

- 69 of the recommendations have been or are being implemented as recommended,
- 15 are being implemented by way of a policy modification of the original recommendation,
- 8 are on hold, and
- in the remaining 14 cases, either no progress has been made or a decision has been taken not to implement the recommendation.

NOAC considers that this represents a high level of implementation of the reforms and significant change within the local government sector yielding a substantial reduction in overhead costs. NOAC commends the sector for the increased efficiency and consequential savings thus achieved, which are now estimated in the report to be €586.6m per annum with over 80% of this deriving from payroll savings when compared with 2008 local authority payroll costs.

As the majority of the recommendations have now been implemented – either as originally recommended or by way of a policy modification – this report will be the final implementation status report covering all 106 recommendations. NOAC will continue to monitor specific aspects of the local government efficiency reform agenda on an on-going basis. To this end, periodic progress reports produced by the PSROG will be reviewed by NOAC. NOAC understands that the culture of change and the related reform processes have become firmly embedded in the sector and that the sector itself is in the process of considering a further review of efficiency to identify additional areas for potential savings.

NOAC thanks the staff of the PMO for their work in preparing this report.



Cumann Lucht Bainistíochta Contae agus Cathrach
County and City Management Association



Local Government Efficiency

Report on the
Delivery of the
Recommendations of
the Local
Government
Efficiency Review
Group 2010 - 2015

March 2016

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Overview

1. In 2010, the Local Government Efficiency Review Group (LGER) published a report that recommended 106 actions designed to deliver efficiencies in the local government sector. The key objective of LGER was to deliver annual efficiencies in the order of €511 million.
2. At a macro level, the group took a prudent approach to estimating the efficiencies, in so far as forecasts of savings or revenue were only applied by LGER where they could be clearly identifiable and attributable to a specific action.
3. Since 2010, the County and City Management Association provided two progress reports on the implementation of the recommendations of the LGER Report. This report, which was prepared by the Programme Management Office (PMO) for submission to the National Oversight and Audit Commission (NOAC), provides details of the status of each recommendation made by LGER as at the end of 2015.

Reform

4. Since the publication of the 2010 LGER Report, the Local Government sector has undergone significant reform with the dissolution of the Town Councils and the establishment of the municipal districts in the City, County and City and County Council areas. The number of local authorities reduced from 114 to 31. Improved alignment with local development companies is ongoing. The integration of the County and City Enterprise Boards into the local authorities, as the newly configured Local Enterprise Offices, strengthens the role Councils play in economic and enterprise development.

Resources

5. At a macro level, Local Government Revenue Expenditure reduced from €4.72 billion in 2008 to €3.95 billion in 2013¹. Thus, whilst the LGER recommended efficiencies designed to deliver annual savings of €511 million in the medium to long term, within five years the Revenue Budgets of the local government sector reduced by €770 million. That stated, the reduction in revenue expenditure cannot be solely attributed to the recommendations of LGER. The impact of the implementation of LGER recommendations is outlined below.
6. Whilst the LGER recommendations primarily focussed on revenue expenditure, it is noteworthy that capital expenditure in the sector reduced from €6.13 billion to €1.45 billion over the same period i.e. 2008 – 2013.

Organisational Efficiency & Shared Services²

7. The recommendations under Organisational Efficiency primarily referred to the transfer of functions from the Town Councils to the County Councils and vice versa. In 2014 the

¹ Local Government Audit Service, Activity Report, March 2015

² The Local Government Shared Services Programme is the subject of a separate report submitted to NOAC in March, 2016.

Town Councils were abolished. As a result all Town Council functions were transferred to the relevant City, County or City and County Council. In addition, six local authorities were merged into three: Waterford City and County Councils, Limerick City and County Councils and North Tipperary and South Tipperary County Councils. As a result, there was a reduction in the number of elected representatives and a more consolidated use of local government staff.

8. In addition, LGER made a suite of recommendations on the scope to deliver a range of executive functions by using a shared services model. The progress made by the local government sector in rolling out shared services is the subject of a separate report; however, since 2010 the sector has delivered a range of functions using the shared services model. Of particular note is the flagship shared service, MyPay, which, once transition is complete, will administer all payroll and superannuation functions for the sector. Other shared services have been established in the areas of Procurement, Road Management, Building Control, Waste Enforcement, and the Water Framework Directive. In addition, the sector pursued a number of collaborative projects where best practice was shared to deliver efficiencies. These collaborative projects include Internal Audit and Debt Management. A suite of ICT Enablers was also developed, such as the Local Government Portal, BCMS and FixYourStreet.ie.

Local Government Staffing

9. The Local Government sector experienced a significant reduction in staffing. In December 2008 the total head count in the Local Government sector was 37,801 whole time equivalents (WTE). By December, 2015 the head count in Local Government reduced to 28,882 WTE, a reduction of 8,919 or 23.6% of WTE. As a result, salary costs in the sector reduced by 27.3% or by almost €483 million over that period.

Value for Money & Internal Audit

10. Significant progress has been made in relation to Value for Money and Internal Audit. The Local Government Audit Service publishes Activity Reports annually. The Audit Report of each local authority is published on the website of the Department of the Environment, Community and Local Government (DoECLG). In addition to the annual budgetary cycle, local authority elected members receive periodic updates in relation to the financial performance of the local authority. Furthermore, the statutory functions of the Local Government Audit Committees are set out in Section 59 of the Local Government Reform Act 2014, which restates the legislative position of Audit Committees. In 2014 the DoECLG provided guidance on the functions of the Audit Committees.

Procurement

11. The procurement landscape has been transformed with the establishment of the Office of Government Procurement (OGP) in 2012. The Local Government Sector is playing a meaningful role in the reform of procurement. The sector has established the Local Government Strategic and Operational Procurement Centres, and is overseeing the procurement of Minor Works and Plant Hire for the entire public service.

Furthermore, training and education initiatives are being put in place for Procurement Officers and guidance has been provided to local authorities on systems, policies and procedures. In 2010, LGER identified scope to deliver savings of €70 million by consolidating procurement. Since then the Local Government sector has put in place a suite of initiatives designed to achieve this target. The 2013 LGER Implementation Report reported that the Local Government sector made savings of €108.8 million in the period 2010 – 2012. Between 2013 and 2014 an additional €13.9 million in procurement related savings was reported by the sector.

Housing

12. In 2014 the Minister for the Environment, Community and Local Government published the Housing Strategy 2020, the implementation of which is a priority for local authorities. The County and City Management Association (CCMA) has worked with the OGP to put in place a framework for housing professional services by the end of 2015. In addition the Local Government Operational Procurement Centre is developing a framework for voids. These are designed to enable local authorities to deliver their housing objectives more efficiently. Furthermore, the Building Control Management System has been operational since early 2014. The system now holds over 39,000 registrations.

Roads

13. The sector has established a shared service centre to efficiently manage pavements and road licensing – the Road Management Office (RMO) – which represents a more efficient means of delivering this service across the 31 local authorities.

Water

14. The reforms in water, with the establishment of Irish Water, the installation of water meters, and the introduction of water charges for domestic users are well documented. The sector has established the Water Services Transition Office to oversee the transition of water services from local authorities to Irish Water. A total of nine recommendations were made under the Water Programme Area with an estimated efficiency potential of €35 million relating to reduced demand, reduced unaccounted for water and water conservation. A further recommendation pertaining to full cost recovery for non-domestic users of water services was made by LGER under the ‘other cost recovery and revenue issues’. This was estimated to yield an efficiency of €58 million. The establishment of Irish Water meant that, while the recommendations of LGER are being considerably advanced in the delivery of water services, the efficiencies do not accrue to the Local Government sector but to Irish Water. Thus it is proposed to reduce the efficiencies originally forecast by LGER of €511 million by the €93 million attributable to recommendations relating to water services, reducing the potential efficiency saving to Local Government as a result of LGER to €418 million. That stated, one of the water recommendations related to River Basin Management Plans. This function remains with local authorities in partnership with the Environmental Protection Agency (EPA) and the DoECLG.

Planning

15. The level of planning activity has increased over recent years. All local authorities are using an ePlanning system, be it iPlan or APAS. Consideration is currently being given to the development of a common front end for planning services. A project board, made up of representatives of the local government sector, the DoECLG and An Bord Pleanála has been established to further develop the ePlanning system.

Waste Management

16. Offaly County Council is the lead authority for the National Waste Collection Permit Office (NWCPO), a centralised office for issuing waste permits. NWCPO currently holds 2,236 waste permits and in July 2014 it was awarded ISO certification. In 2015 the Waste Enforcement Regional Local Authority (WERLA) shared service was established to enhance local authority waste enforcement performance by providing clear guidance, structures and support. WERLA offices were established in the Southern, Connaught/Ulster and Eastern/Midlands Regions.

Motor Tax & Driver Licences

17. LGER made a number of recommendations in relation to motor tax. Reforms have been implemented and in particular a National Driver Licence Service was established to consolidate the driver licence application process. In addition, the prices for each category of drivers licence have increased. Importantly, the 'off the road' facility allowing car owners to self declare vehicles has been removed.

Other Efficiencies

18. In 2010, LGER made a range of recommendations classified as 'other efficiencies'. Focussing on financial performance, the sector has been implementing initiatives to improve debt management and treasury management. There has been significant progress on the alignment of the plans of local authorities and the local development agencies. The County and City Enterprise Boards have been integrated into the local authorities under the auspice of the Local Enterprise Offices. The establishment of the Local Community Development Committees (LCDCs) represents an opportunity to align the strategies of local authorities with the Rural Development Programme and with the Social Inclusion and Community Activation Programme (SICAP).
19. As previously stated, LGER took a prudent approach to forecasting and did not allocate efficiencies or revenue generation to initiatives that required further specification. In particular, LGER recommended that 'arrangements necessary to allow for the levying of local taxes and domestic water charges should be progressed as a matter of priority'. Since the efficiency review, both domestic water charges and local property taxes have been implemented. As previously stated, the main beneficiary of water charges is Irish Water not the Local Government sector, and to that extent associated figures are excluded from this report. Local Property Tax came into effect in 2013. It is forecast that this will raise €473.6 million in 2016. Whilst it was a key recommendation, this was not included in the original estimates made by LGER in 2010.

This Report

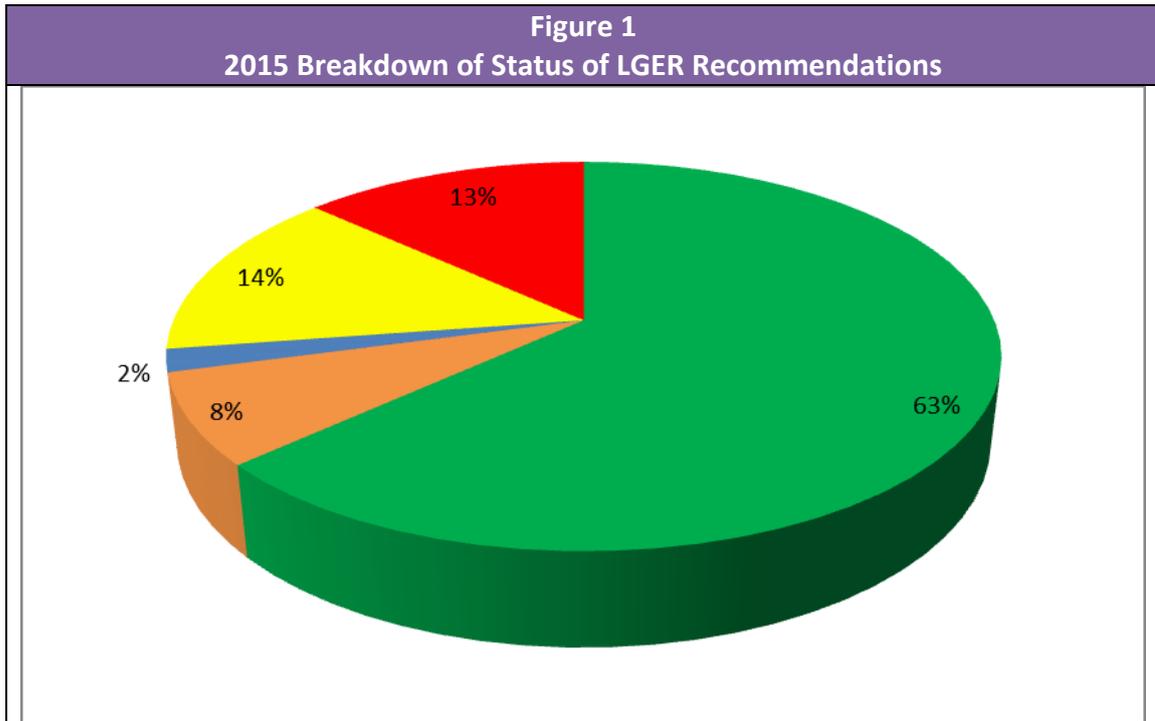
20. The remainder of this report outlines progress made on each of the 106 recommendations made in 2010 by LGER. They are categorised according to Local Government function as outlined above. In addition, each recommendation is colour coded as follows:

Green	Delivered
Amber	On hold
Red	Did not proceed
Blue	Ongoing
Yellow	Change Direction / Overtaken by Other Policy Initiatives

21. Using the colour code above, Table 1 below provides the status of the number of recommendations under each category. The remainder of the document provides a more detailed update on each recommendation.

Table 1 2015 Status of LGER Recommendations by Category						
Category	Green	Amber	Blue	Yellow	Red	Total
Organisational Efficiency	7	0	0	0	0	7
Local Government Staffing	6	0	0	2	0	8
Value for Money & Internal Audit	12	1	0	2	1	16
Shared Services	7	0	0	0	1	8
Procurement	8	0	0	0	0	8
Housing	2	2	1	2	1	8
Roads	1	0	0	0	2	3
Water	1	1	0	7	0	9
Planning	1	1	0	0	1	3
Waste Management	3	0	0	0	0	3
Motor Tax	3	0	0	0	1	4
Other Efficiencies	16	3	1	2	7	29
Total	67	8	2	15	14	106

22. As highlighted in Figure 1 below; 63% of the projects have been delivered (green), while a further 16% are either on-going (blue) or subject to a change of policy direction, such as Irish Water (yellow); 8% of projects are on-hold (amber); while 13% did not proceed for varying reasons (red). As previously stated, where a project is categorised as yellow, it does not necessarily mean that the benefit was not delivered, but rather that it may not have yielded returns for the local government sector, as is the case with the recommendations pertaining to water services.



23. The financial impact attributable to implementation of these recommendations is outlined in Table 2 below. The financial impact may take the form of either efficiency savings or revenue generation, and thus cannot be linked directly with the reduction in Local Government expenditure as outlined above.
24. Following exclusion of the recommendations relating to water services, the savings and additional income forecast by LGER as a result of the implementation of their 2010 recommendations is €418 million. The analysis below indicates that progress in implementation of the recommendations yielded an annual efficiency of €586.6 million, accepting that the majority of this is a result of the significant reduction in local government staffing.
25. In addition, LGER did not estimate the level of income that their recommendation relating to property taxes could yield. In 2016 it is forecast that the Local Property Tax will generate an income of €473 million.
26. These efficiencies are set in the context of a reduction in local government revenue and capital expenditure of €770 million and €4.68 billion respectively between 2008 and 2013.

Table 2 Summary of Efficiencies & Revenue Resultant from LGER Recommendations					
Category	LGER €million	LGER Less Irish Water €million	2013 Report €million	2015 €million	
Staffing	113 ¹	113	98.1	482.9 ²	
Procurement	70	70	108.8	24.5 ³	
Efficiencies in Programme Areas					
Housing	30	30	0	5 ⁵	0
Roads	10	10	0	8.38 ⁵	0
Water Services	35	0 ⁴	0	0	0
Planning	38	38	0	0	0
Waste	5	5	5	5 ⁵	0
Motor Tax & Driver Licences	115	115	0	62.4	
Other Efficiencies	95	37 ⁴	17.7	21.8 ⁵	16.8
Total Specified⁶	511	418	229.6	N/A⁵	586.6
Unspecified⁷					
Local Property Tax Income				473.6	
Notes:					
<ol style="list-style-type: none"> Includes all recommendations relating to organisational efficiencies and staffing including reduction of roads staff. Includes savings made through shared services initiatives and dissolution of Town Councils. Annual impact of staff reductions since 2008 on local government expenditure. This includes impact of Shared Services Programme, which allowed for redeployment of staff. Procurement savings of €70 million were to be derived over a number of years; however the €70 million was counted for one year. To compare on an annual basis, the 2015 figure provides the average annual procurement savings between 2010 and 2014 inclusive. Total procurement savings over the period were €122.7million. Water Services efficiencies removed as benefit does not accrue to the local government sector. The savings have been achieved by implementing the recommendations made by LGER in relation to roads staff, transfer of staff from Town Councils and the implementation of shared services in waste, roads and payroll, along with other recommendations for other efficiencies. However, the savings estimate is reduced from €21.8 million to €16.8 million to avoid double counting with savings allocated to staff reductions. This column has been included for illustrative purposes only to show the savings attributable to these recommendations. Where LGER specified a saving. Where LGER made a recommendation but did not specify a saving/income. This specifically refers to income generated by the Local Property Tax. 					

ORGANISATIONAL EFFICIENCY			
	Action	2012/2013 Update	2015 Update
1	Responsibility for planning, roads and housing functions should be transferred from town councils to county councils.	Subject to local government reform policy proposals to be submitted to Government	<p>In 2014 the Town Councils were abolished and replaced by municipal districts, which are an integral part of their respective county or city and county councils. Focusing on the recommendations of the 2010 LGER report:</p> <ul style="list-style-type: none"> • Responsibility for planning, roads and housing is now fully transferred from Town Councils to the County or City and County Council. • The scope to delegate aspects of housing services to Town Councils where this is economically efficient no longer applies. • The power of Town Councils to determine the annual rate on valuation is absorbed by the County or City and County Council. • In many cases, former Town Council Offices are now used as area offices by the County or City and County Councils.
2	County councils should be allowed delegate some local aspects of housing service provision to towns where this is economically efficient.		
4	The power to determine the annual rate on valuation should be removed from town councils, and town charges be applied in the same manner as other existing non-rating town councils.		
5	County council offices / area offices and town council offices should be co-located.	Putting People First states that 'local authorities will be reduced from 114 to 31 City and County Councils with integrated districts. It also adds that there will be a unified county-wide administration with no duplication of functions between district and county levels'.	
3	Each county council should be allocated an urban grant for local urban roads, with the county council determining the urban road spend across <i>all</i> towns in its administrative area.	Budget funding from the Department of Transport, Tourism and Sport (DoTTaS)	This action referred to grants to Town Councils, which have been abolished. The County or City and County Council now considers the allocation of grants for each town.
6	Joint drainage boards, joint burial boards, and other bodies should be dissolved, and their functions transferred to local authorities or a 'lead' local authority.	A programme involving the dissolution of some non-commercial ports and Joint Burial Boards and the transfer to local authorities of joint drainage committees was underway.	Complete
7	The payments and expenses provided to local elected members should be kept under review to ensure that they remain reasonable and proportionate.	Local authorities monitoring existing payments on ongoing basis on foot of a 2010 DoECLG Circular limiting such expenditure.	Allowances reduced and clarification provided by DoECLG Circular LG12/14

LOCAL GOVERNMENT STAFFING			
	Action	2012/2013 Update	2015 Update
8	The number of county/ city managers should be reduced from 34 to 24, representing a reduction of 30%.	Merging of Limerick City and County Councils, Waterford City and County Councils and North Tipperary and South Tipperary County Councils planned. Amendment in legislation to allow management of joint administrations.	The Local Government Reform Act 2014 replaced the County Manager with a Chief Executive. The number of Chief Executives has been reduced from 34 to 31 as a result of the amalgamation of Waterford City and County Councils, Limerick City and County Councils, and North and South Tipperary County Councils. These mergers are now complete. In parallel, the local government sector adopted a process of workforce planning, which sets out the number of staff at each grade for each local authority by agreement with the DoECLG. Therefore, this recommendation is superseded by policies around workforce planning.
9	The number of directors, based on a standard template related to the size of the local authority, should be reduced by at least 20% from 240 to 190.	Achieved as in LGER Report March 2012	Total of director or equivalent posts reduced to 204 by December 2015.
10	The number of senior and middle managers (administrative and professional) should be reduced by 15%.	Achieved as in LGER Report March 2012.	Between December 2008 and December 2015 the total head count in the local government sector continued to reduce from 37,801 to 28,882, a 23.6% reduction in that period.
12	The number of corporate service staff should be reduced by 10% in the joint administrative areas, and by 5% in several other local authorities.	According to the 2012 LGER Report there was a 5% reduction in Corporate Services Staff across the sector.	
13	The number of planning staff should be reduced by 10%	Achieved as in LGER Report March 2012	
11	Ten joint administrative areas across 20 county and city council areas should be established to pool corporate functions and other service areas, with each joint administrative area under the responsibility of a single manager.	Subject to Government decisions on local government reform proposals.	While this recommendation was not directly implemented, significant progress was made in relation to corporate functions. The number of local authorities has been reduced from 114 to 31. Section 149A of the Local Government Reform Act 2014, whereby a specified executive function can be undertaken by a nominated local authority, has been used by the sector to establish a number of shared services aimed at achieving efficiencies in the delivery of specific functions. In addition, the Local Government Reform Act 2014 allowed for a single Chief Executive to accommodate the transition of merged authorities in Waterford, Limerick and Tipperary.
14	The number of roads staff should be reduced by 250, with an emphasis on reducing numbers in certain local authorities.	The 2013 LGER Report found that the number of outdoor staff reduced by 1,340 between 2009 and 2011	The number of outdoor staff reduced by 3,736 between December 2008 and December 2015, a 26% reduction in that period.
15	The staffing complements and number of senior managers in Dublin and Cork cities should be independently reviewed, with a target of reducing numbers by at least 15%.	Dublin City Council: By December 2012 staffing levels in Dublin City Council had fallen to 6,102 representing a staffing reduction of 16% since December 2008. In relation to staff numbers in the managerial category, a reduction of 21.1% was achieved from January 2009 to end January 2013, which is in excess of the 15% reduction target. Cork City Council January 2013: The Independent Review of Staffing Levels within Cork City Council is nearing completion and a workforce plan deriving from the Review will guide the continued reduction in overall staffing levels at all management levels across the organisation.	By December 2015 head count in Dublin City Council stood at 5,624, a reduction of 22.7% since December 2008. Between December 2008 and December 2015 the total head count in Cork City reduced from 1,595 to 1,281, a reduction of 19.7%.

VALUE FOR MONEY & INTERNAL AUDIT			
	Action	2012/2013 Update	2015 Update
16	The Director of Audit should produce an annual report, building on the existing activity report, taking a more strategic overview of financial management and audit across the local government sector.	Delivered in 2011 and ongoing delivery in place.	Local Government Audit Service publishes an annual Activity Report setting out main points of the activities and findings of the Local Government Audit Service.
17	The annual report should be sent to the Oireachtas Committee on Environment, Heritage and Local Government which can be publicly discussed with the Director and relevant local government representatives.	Delivered in 2011 and ongoing delivery in place.	The Report is submitted to the Oireachtas Committee on Environment, Community and Local Government.
18	The internal audit function in local authorities should be resourced by staff with suitable professional qualifications and sufficient ICT skills to allow the extraction and analysis of data from the financial systems.	The Business Case was agreed in principle. No pay savings but scope for sharing knowledge and risk across local authorities. The Internal Audit Collaboration Sub-Group is to investigate, discuss and make a recommendation to the Public Sector Reform Oversight Group (PSROG) as to the preferred internal audit collaboration model for local government.	Following review it was decided that a Regional Collaboration Model, along the lines of the existing regional structure, would be more appropriate. Regional Internal Audit collaboration structures are now in place and working together to: <ul style="list-style-type: none"> o Develop audit tools and techniques; o Share knowledge and insight; o Work together to procure expertise, advice, assistance and/or support for specialist audits; o Interact periodically to review, examine and discuss key audit themes and audit topics evolving; o Develop and implement more definitive Audit Standards for Internal Audit practitioners in the Local Government sector.
20	The scope for sharing internal audit services between local authorities should be pursued as a matter of priority	As per the Business Case Recommendation it was agreed a group will be established to decide Terms of Reference for collaboration between local authorities. The PMO is coordinating the establishment of this group and it is expected to be in place by end March. It is proposed that the sub-group will report to the PSROG within three months of being established, and thereafter on a six-monthly basis until transitional arrangements are agreed by PSROG.	Initial collaboration projects include: <ul style="list-style-type: none"> o Web-based Collaboration Portal (developed and launched); o Synergy sessions where members consolidated their learning and findings on specific audit issues; and o Development of Audit Programme for use as part of Quality Assurance element of Public Spending Code
19	Opportunities for exchange and secondment of audit personnel with the private sector should be explored.	DoECLG believed that this could be encouraged on a bi-lateral basis between local authorities and local businesses.	All staff of the Local Government Audit Service are recruited by an open procedure through the Public Appointments Service. Secondments from the private sector are not currently facilitated.
21	The annual internal audit plan should be discussed with the local government auditor and presented to the local authority audit committee before finalisation.	The 2012 LGER Report advised that this is in operation.	Operational
22	Any value for money (VFM) studies or efficiency reviews carried out within the local authority should be reported through internal audit. The role of VFM officer within an authority could be assigned or extended to cover internal audit.	The 2012 LGER Report advised that this is being completed on an ongoing basis.	The rollout of the Public Spending Codes should further strengthen the efficiency reviews conducted within local authorities.
23	Authorities should have local arrangements in place for the internal checking of receipts, including motor tax. This work should be separate from internal audit.	The 2012 LGER Report advised that internal checking procedures were in place for receipts.	Operational
24	Regulations, as provided for in the Local Government Act 2006, should be issued on the operation of audit committees. This should include good practice as identified from experience to date.	The 2012 LGER Report found that systems are in place to report issues to Audit Committees.	Operational

VALUE FOR MONEY & INTERNAL AUDIT CONTINUED			
	Action	2012/2013 Update	2015 Update
25	Financial performance indicators should be verified as part of the annual audit and reported on as part of the audit report, the annual financial statement, and the publication of service indicators.	The CCMA are in talks with the DoECLG for a complete review of the Service Indicators Report for 2012 onwards.	The Local Government Audit Reports provide updates in relation to Financial Performance Indicators primarily in the areas of Rates, Housing Rents and Annuities, Housing Loans and Commercial Water. The 2013 Service Indicators provided data for each local authority in relation to Housing Rent, Housing Loans, Commercial Rates, Refuse Charges and Non-Domestic Water Charges. Subsequently, NOAC set additional performance indicators relating to the financial efficiency of planning, fire, library and IT along with the overall financial performance of each local authority in terms of revenue account balances. The 2014 data on these indicators was published by NOAC in December 2015.
26	Local authority performance against national VFM studies, capital spot checks, efficiency reviews or VFM follow-up reports should be considered by the local government auditor. Local authority progress in relation to VFM/efficiency reviews should also be discussed with the audit committee.	Achieved – follow-up VFM reports published on DoECLG website	The rollout of the Public Spending Code requires local authorities to submit to NOAC a Quality Assurance Report on public spending for 2014 and subsequent years. These reports include an inventory of all projects with a project life cycle cost of €500,000 or more; publication of all procurement in excess of €10m; completed specified checklists; and an in-depth review of a number of projects.
27	An improved website area should be created for the Local Government Audit Service, on which all audit publications, including the annual audit reports, as well as information on local VFM studies, efficiency reviews and best practice could be made available to the public.	Delivered on DoECLG website	The Local Government Audit Service publishes Statutory Audit Reports for each local authority. These include statements for each local authority on the financial standing, income collection, fixed assets and procurement practice along with any specific issues raised by the Auditor. These audits, along with Audit Activity Reports, Value for Money Reports, Local Government Auditor's Reports and Codes of Audit Practice are available on the DoECLG website.
28	Local authority elected members should receive quarterly reports at a minimum on the financial performance of the Council against the approved budget.	The 2012 LGER Report advised that this is in operation.	Delivered: reports on financial performance provided as part of the reporting by the Chief Executive to the Council.
29	All local authorities must meet the statutory deadline for preparation of the draft annual financial statement.	The 2012 LGER Report advised that this was 94% achieved.	26 of 31 Annual Financial Statements 2014 were submitted to the DoECLG by 30 th June 2015. The delay in 2015 is attributable to the requirement to merge the Financial Statements of the Town Councils that were abolished with their respective County or City and County Councils.
30	Cash flow statements should be prepared at regular intervals and considered by the local authority management team, with appropriate action taken.	The 2012 LGER Report stated that this is in operation.	Operational
31	The necessary remedial action should continue to be pursued intensively in respect of the significant revenue account deficits in a number of local authorities.	The necessary remedial action is being undertaken and the Local Government Audit Service report, published May 2012, includes auditor's comments and manager's response.	The Local Government Audit Service publishes an annual overview of work of Local Government Auditors. This provides a comparative analysis of the deficits of each local authority over time. The specific Local Government Audit Reports for each local authority identifies the extent and trend of the deficits where they are significant. The Chief Executive of the particular local authority provides a response to the findings of the Local Government Auditor on how the local authority is addressing that deficit. This provides a formal and transparent mechanism for addressing significant deficits.

SHARED SERVICES			
	Action	2012/2013 Update	2015 Update
32	A uniform human resource and payroll system should be implemented for local authorities.	The 2013 LGER Report stated that the Payroll & Superannuation HR shared service is currently at design stage, with the Core software being an integral part of the Design stage.	18 local authorities are in the MyPay Shared Service Centre for Payroll Services; currently on schedule and transitioning Wave 4 local authorities (2 out of 5 complete at present); Superannuation project has commenced; Laois is the first pilot and cutover commenced in Q4 2015.
33	All local government recruitment and promotion for clerical, administrative, and professional staff should be conducted through the Public Appointments Service.	The 2013 LGER Report stated that Public Appointments Service will include Administrative Officers and analogous grades in all future recruitment.	Public Appointments Service has assisted some local authorities to recruit clerical grades on a case-by-case basis. However this is not currently applied for all recruitment.
34	The business case for a shared service approach between local authorities in the fields of fire services, homelessness, building inspection, internal audit, motor tax, and e-Government initiatives, either on a regional basis or on a lead authority model should be evaluated, having regard to timescale, service improvements and anticipated cost savings, as well as the proposed joint administrative areas.	The 2012 LGER Report indicated that 20 reports were being considered. The 2013 LGER report provided an update relating to Internal Audit, Integrated Inspectorate (Building Inspection) and Online Services/LG Portal (e-Government) business cases.	Since 2012 the local government sector has assessed, designed and delivered shared services for the sector in the areas of Payroll and Superannuation (MyPay), Road Management and Strategic and Operational Procurement. Other shared services, in the areas of Waste Enforcement and the EU Water Framework Directive, are in the process of being established on a regional and national basis respectively. Sectoral Collaboration Models have been progressed by the sector in the areas of Internal Audit and Debt Management. Online services, in the form of an Online Portal, Building Control Management System, and FixYourStreet.ie have been developed to support standardisation of service delivery while also offering a greater range of digital services to citizens.
35	Single, national ICT applications with common business rules for all local authorities should be pursued wherever possible, as opposed to multiple and duplicating local ICT applications.	The Design stage of a Local Government Portal process was currently with the CCMA ICT committee.	The Local Government Portal www.localgov.ie is operational. All local government services have been identified and added to the Service Catalogue for users to browse. The catalogue has over 100 services detailed and can scale for more. BCMS was added seamlessly to the Portal. Over 32,000 Owners, Builders and Professionals have registered on the portal. 12,000 Notices submitted with 200,000 documents uploaded and €2m in fees collected.
36	ICT infrastructure services across the sector should be consolidated and delivered as a shared service by 'lead authorities' or the Local Government Management Agency.	Shared Technology and Enablers projects are underway in relation to this recommendation - ICT Back Office and Open Source Website Development, CRM MS Dynamics, CRM Open Source, Social Media and Open Source Document Management.	ICT Back Office is operational and forms part of the back end of the Local Government Portal and MyPay shared service. The project provides key infrastructure in the areas of security, storage, traffic management/monitoring, and backup as a resource for all of the shared services projects and can continually deliver services and savings to the sector. The sector has developed a suite of ICT guidance in relation to CRM Microsoft Dynamics, Spatial Information, Open Source Document Management, Knowledge Management and Open Data.
37	The ICT systems used by local authorities and those bodies to which they report should be compatible.	Achieved as in LGER Report March 2012	Operational

SHARED SERVICES CONTINUED			
	Action	2012/2013 Update	2015 Update
38	The Regional Design Office model should be extended to other local authority service areas, for example to the procurement, land acquisition, project management through planning and construction, and asset management of water and waste infrastructure, and public lighting.	Shared Regional models have been proposed under the Veterinary Services, Paid Parking, Public Lighting and Internal Audit business cases and all Business Cases have been approved for a Shared Regional approach.	<p>Regional approaches adopted for Waste Enforcement, Waste Permits and Water Framework Directive.</p> <p>Other regional models are being considered for progression where suitable.</p> <p>A Regional Collaboration Model has been developed and established in Internal Audit.</p> <p>A regional approach on public lighting is being pursued by the local government sector with the SEAI, NRA, Commission for Energy Regulation and ESB Networks. This will involve the standardisation of public lighting inventories in all local authorities in 2016.</p>
39	Local authorities in specific regions should be obliged to negotiate a framework agreement for the region every 5 years, which would include assessments of shared service opportunities and to encourage attention to regional policy issues that transcend local boundaries.	There has been a large increase in the use of national frameworks by LG in 2012. A new Office for Government Procurement, responsible for driving a 'Government-wide' approach to procurement with the aim of maximizing cost savings and benefits, has been established. Assessment of regional procurement shared service opportunities is ongoing, with a number of shared regional models being pursued, including: Veterinary Services, Paid Parking, Public Lighting	The scope for national and regional frameworks has been significantly increased through the reform of procurement and the establishment of the Office of Government Procurement. National and regional frameworks are in place for minor works (including housing and road works), plant hire, utilities, facilities management, janitorial services, vehicle and plant and PPE among others.

PROCUREMENT			
	Action	2012/2013 Update	2015 Update
40	Procurement systems in operation in Dublin City Council, Clare County Council, Longford County Council and LAQuotes should be reviewed within 12-18 months to establish which system can deliver the greatest cost savings through aggregation – following this review, participation in an aggregated sectoral procurement system should be mandatory for all local authorities.	Activity in this area has been superseded by the recent establishment of the Office for Government Procurement, which the Local Government sector is fully engaging with. Each sector of Government has been allocated a number of procurement categories which they are responsible for procuring on behalf of all sectors.	The Local Government sector is now fully participating in the reform of procurement, which is being led by the Office of Government Procurement (OGP). The Local Government Strategic Procurement Centre (LGSPC), which is anchored in the PMO has been established to oversee the reform of procurement across the sector. The Local Government Operational Procurement Centre (LGOPC), hosted by Kerry County Council, oversees the procurement of Plant Hire and Minor Works on behalf of the entire public service. Goods and services are grouped into 16 categories, 8 of which are managed by the OGP, with the remaining 8 managed by the Local Government, Health, Education or Defence sectors. Both the LGSPC and LGOPC became operational in 2014.
41	LA Quotes should be adapted to ensure that metrics are installed to measure throughput in value terms, count the number of transactions and record the transaction size, and identify the products and services being procured.	Achieved as in LGER Report March 2012	By 2015 a total of 2,160 local authority buyers were using LA Quotes. In 2015 LA Quotes was rebranded SupplyGov.ie
42	The procurement of road salt should be transferred to the National Roads Authority to ensure that local authorities do not have to compete with one another when there is a high demand for road salt.	Achieved as in LGER Report March 2012	Operational.
43	Local suppliers should be encouraged to participate in the tendering process – the underlying principle is clear that best value must be obtained in terms of economy, but equally local authorities must enable local suppliers to participate in the tendering process.	Achieved as in LGER Report March 2012	In 2014 / 2015 each local authority held a workshop to present the reform of procurement to SMEs. A total of 1,255 SMEs participated in these workshops.
44	Each local authority should designate a contact point and resource to support procurement.	Achieved as in LGER Report March 2012	Each local authority has appointed a staff member with responsibility for procurement.
45	Links should be formalised between the procurement officers in local authorities to promote exchange of best practice and coordinate efforts at shared procurement.	Achieved as in LGER Report March 2012	Procurement Forum established, whereby all Procurement Officers meet quarterly with expert speakers addressing specific areas of procurement.
46	Regional procurement specialists from the National Procurement Service should work with the Local Government Management Agency and a number of local authorities in each region to encourage the identification and exploitation of opportunities for more effective procurement co-operation and co-ordination across local authorities and the broader public sector.	The 2012 LGER Report stated that a new national procurement specialist based within DPER has been appointed, and the sector will work with them to identify opportunities for more effective procurement.	The sector has identified Category Leads to work with the OGP in relation to: Utilities, Facilities Management, Professional Services, Plant and Vehicle purchase and ICT. Data has been gathered by the PMO and provided to the OGP and LGOPC to identify opportunities for aggregation of demand.
47	Cost effective training should be provided for all key participants in the procurement process and should be developed and implemented across the sector – the skills of participants should be enhanced to ensure adherence with best practice in specific cases of procurement, but also the strategic procurement skills to collect, aggregate and analyse high level spend data through detailed spend analysis, market analysis, negotiating and contracting skills, supplier and contract management, and supplier performance management.	The Procurement Officers from the 34 local authorities met three times in 2012 – once in September and twice in November.	In October 2014 the Local Government Strategic Procurement Centre (LGSPC), which is part of the Programme Management Office (PMO), conducted a Training Needs Analysis of Procurement Officers. This was updated in October 2015. As a result, a training and education programme was rolled out across the sector. This provided training on procurement law, systems, contract management and green procurement. In addition, the LGSPC awarded 18 bursaries for procurement staff to undertake formal education in procurement.

HOUSING			
	Action	2012/2013 Update	2015 Update
48	Housing sections within local authorities should be reconfigured to reflect the more varied sources of housing supply, arising from a greater emphasis on sourcing social housing units from the private sector through the Rental Accommodation Scheme and long-term leasing.	The 2013 LGER Report stated that best practices in housing sections are applied in Local Authorities to reflect the varied sources of housing supply.	In 2014 the DoECLG published the Housing Strategy 2020 'Support, Supply and Reform'. This is being implemented by local authorities and approved housing bodies. This provides a work-programme and governance framework to deliver ambitious social housing targets. In addition, the Housing Assistance Payment is being rolled out by the DoECLG in association with the Department of Social Protection (DSP) through the local authorities, whereby local authorities will make the full rent payment to the landlord on behalf of the HAP recipient.
49	A single building inspectorate service could be established on a regional basis to streamline the approach to the inspection of property. This should be examined to see how a single inspection could serve most if not all purposes across housing, planning, fire and other functions – this process should also be facilitated through the establishment of joint administrative areas	The 2013 LGER Report stated that this project was to be re-scoped to take into account the new Building Regulations issued in December 2012. Timeline for the Business Case was revised.	A Building Control and Management System (BCMS) has been developed and rolled out. The objective of the project is to: create a culture of compliance within the building industry; improve health and safety in or about buildings; and provide a national building control management system that will enable risk-based inspections. Phase 1: Electronic administration of Commencement Notices & Completion Certificates is operational in 31 local authorities. Phase 2: Risk-Assessment and Inspection Regime is delayed due to legislative amendments published 1 September 2015; and Phase 3: Inspection is in development.
50	The time needed to let and re-let social housing properties should be further reduced to improve supply and reduce costs, and encourage a more efficient use of housing stock.	The average number of weeks taken from completing necessary work repairs to date of first debit, across all local authorities, was 5 weeks per the preliminary 2011 Service Indicator data, compared with 3.9 weeks average in 2010. However, many local authorities indicated that the year on year increase resulted from a change in assessment regulations in 2011.	According to the performance indicators presented to NOAC, in 2014 the average re-letting time from the date the previous tenant vacated the dwelling to the new tenant's first rent debit varied from a low of 10 weeks to a high of 82 weeks. The median across the sector is 24 weeks.
51	The use of the professional services that are available from in-house staff, from other local authority staff on a shared service basis or from the new Housing and Sustainable Communities Agency should be maximised to support the procurement and management of housing projects.	The Housing & Sustainable Communities Agency works closely with local authorities in the following areas: <ul style="list-style-type: none"> • provide advice to local authorities on brief development; • provide procurement and project management services to local authorities and regeneration agencies; • manage and maintain lands transferred under the Land Aggregation Scheme; • provide a centralised underwriting service and carry out credit checks for local authorities; • assist with the implementation of the Mortgage to Rent/Lease Schemes; • contribute to the resolution of issues relating to unfinished housing developments. 	Because of the planned increase in investment in housing, the CCMA has worked with the OGP to put in place a framework for Professional Services to support the Housing Strategy. This should enable local authority staff to focus on delivery of the programme and streamline the procurement of professional services for housing. The framework was put in place in early 2016.

HOUSING CONTINUED			
	Action	2012/2013 Update	2015 Update
52	Housing assessments carried out by one local authority should be valid in others to eliminate duplicate assessments, and the possibility of establishing specialist teams to carry out housing needs assessment on behalf of several local authorities should be evaluated.	At its meeting in February 2013, the Chairman of the CCMA Housing committee advised that Dublin City Council would lead up this project to the next stage.	Housing assessments are conducted by each local authority individually. This is in line with their statutory role as housing authorities. It also ensures continuation of valuable local insight in to the housing assessment process. That stated, with the dissolution of the Town Councils, the number of housing authorities has reduced. This benefit is counted previously.
53	Social housing rents due to local authorities should be deducted directly from social welfare payments to reduce overheads associated with revenue collection in this area and to substantially reduce arrears, as well as to streamline processes for local authority tenants and avoid the accumulation of arrears. This should also be a condition of new tenancies.	Discussions between DoECLG and DSP re the required amending legislation were ongoing.	Section 53 of the Housing (Miscellaneous Provisions) Act 2014 provides for the deduction of local authority rents from social welfare payments. However this section of the Act has not commenced.
54	Opportunities for partnership with other local authorities in the provision of relevant services for the homeless should be explored to pool resources and improve access, as appropriate, and partnership with the HSE should be continued or enhanced where necessary, having regard to the respective roles of the agencies.	2012 LGER Report stated that this was delivered.	The Dublin Regional Homeless Executive was established in 2011 to coordinate the response to homelessness. This is led by Dublin City Council, which operates a shared services model on behalf of the City Council and the other Dublin local authorities: Dun Laoghaire Rathdown, Fingal and South Dublin. The work of the executive is overseen by a consultative forum made up of the Dublin Local Authorities, the HSE, DSP, the Homeless Network, the Irish Prison Service, the Irish Council for Social Housing, the Education and Training Boards and the Irish Probation Service. In 2014 a protocol was put in place for the South West Region, led by Cork City and including Cork County, Kerry County and the HSE. Other local authorities are working closely with the HSE to provide services to the homeless in their areas on a regional basis. A similar approach was taken in the North East, where Louth, Cavan and Monaghan worked together to prepare a Homeless Action Plan for the North East.
55	The dissemination of best practice across local authorities should be a central element of the remit of the newly consolidated Housing and Sustainable Communities Agency.	Housing Agency established in 2010.	The Housing Agency provides a range of services to local authorities, affordable housing bodies and the DoECLG including technical advice, research and housing management support services. In addition, NOAC is tasked with promoting best practice across local authorities and is reviewing aspects of the performance by local authorities of their housing functions.

ROADS			
	Action	2012/2013 Update	2015 Update
56	New tolling schemes on national roads (both new and existing) should be introduced, based on an equitable distribution of tolling points across the national roads network, with a dedicated proportion of revenue used to invest in local and regional roads.	The Minister for Transport decided not to introduce additional tolls.	This has not progressed as considered by the DoTTaS as not viable.
57	A greater community contribution should be secured towards the upkeep of local roads serving a small number of households.	Grant discontinued.	Even though the grant for urban councils does not exist, local authorities can use roads funding from the DoTTaS for community involvement in roads projects. That stated, there is no community contribution to local roads.
58	The role of the Regional Design Offices (RDOs) should be extended to areas such as the management of non-public-private partnership major projects, strategic regional road projects, asset and network management, and rehabilitation work, and the number of RDOs should be reduced.	The 2013 LGER Report stated that the role of the Regional Design Offices had been extended to areas such as strategic regional road projects, asset and network management, and rehabilitation work, and a complete restructuring of the Regional Design Offices had been undertaken to develop eight National Offices (no longer design specific) and 3 design offices that are project specific. The reconfiguration had also seen a reduction in the supervisory structure in the NRA. This work was now complete.	The National Roads Regional Design Offices focus on design of the national road infrastructure. Design of non-national roads may be undertaken for local authorities on a case-by-case basis as agreed by the National Roads Regional Design Office and the local authority. The Road Management Office (RMO) is a Local Government Shared Services Centre for Road Licensing and Pavement Management.

WATER			
	Action	2012/2013 Update	2015 Update
59	<p>An enhanced regional office approach should be developed at river basin level for:</p> <ul style="list-style-type: none"> - Infrastructure delivery and implementation of the River Basin Management Plans; - Managing bulk purchasing (such as energy, chemicals), and externally procured sampling and monitoring and to seek economies of scale in contracts for equipment maintenance; - Working with the Water Services Training Group (already regionally based) to optimise training; - Following further analysis, (a) delivering monitoring, authorisation and licensing functions currently carried out by local authorities under a range of legislation and (b) providing operational audits to identify potential for savings. 	<p>The 2013 Report advised that the role of Irish Water will be dealt with through 13 DoECLG Work streams which will ultimately define what exactly is to be transferred to Irish Water and what exactly will remain under the remit of the local authorities. The Water Services Transition Office will examine the boundary issues and legacy functions of the local authorities, in addition to facilitating the Water Services Transition Process. In the context of the RBDs, the DoECLG is in the process of reviewing the governance structures and regional boundaries separately. The timeframes in relation to the transition of water services to Irish Water, involve transfer of assets by 01/01/14 with Local Authorities continuing to provide water services under Service Level Agreements until at least 2017.</p>	<p>In 2015 A three tier structure was put in place to support Ireland's obligations under the Water Framework Directive:</p> <ul style="list-style-type: none"> • Tier One: National Management and Oversight (DoECLG) • Tier Two: National Technical Implementation (EPA) • Tier Three: Regional Implementation delivered by a consortium of Kilkenny and Tipperary County Councils <p>The objectives of this structure are to:</p> <ul style="list-style-type: none"> • Ensure compliance with EU and National Legislation. • Promote knowledge sharing and implementation of River Basin Management Plans. • Coordinate consultation required for the River Basin Management Plans. • Support collaborative work at River Basin level. • Mobilise the community and voluntary sector along with business and agricultural representative organisations to play a role in the implementation of River Basin Management Plans. • Support a healthy environment to provide economic and societal benefits.

WATER CONTINUED			
	Action	2012/2013 Update	2015 Update
60	The 'agency' working arrangements between Department of Agriculture, Fisheries and Food and local authorities on inspections under the nitrates regulations should be extended with a view to a more efficient use of the overall inspection resource.	The Department of Agriculture, Food and the Marine agreed to carry out 1,500 farm inspections on behalf of local authorities. Discussions were ongoing with the Environmental Protection Agency regarding the best use of local authority water quality inspection efforts.	A Water Framework Directive (WFD) Shared Services Centre has been established and is being led by a consortium made up of Tipperary and Kilkenny County Councils. As part of the establishment of the Shared Service Centre, a Resource Survey will be finalised. This will consider the method of delivery of the inspections at catchment level.
61	Where appropriate, the necessary equipment should be installed to allow remote operation and monitoring of water/waste water facilities.	To be transitioned to Irish Water, which will be overseen by the Water Services Transition Office (WSTO)	Irish Water took over responsibility for water services from 1 January 2014. Local authorities continue to provide water services under Service Level Agreements with Irish Water. Irish Water operates all water services assets under licence and work is ongoing to transfer ownership of assets by means of Ministerial Orders. The Water Services Transition Office (WSTO) is working with IW, DoECLG and local authorities to address legacy issues such as rural water, small public supplies etc. A 3 Year Transformation Plan for the water industry was agreed in August 2014 between the CCMA and Irish Water; it contains 27 change projects including Capital Delivery project, National Laboratory Strategy, Energy Efficiency etc. The primary change project is the "Water Industry Operating Framework" (WIOF) which will determine the future structure of water services; the concept of regionalisation is already proposed as a strong aspect of WIOF, especially in relation to delivery of Capital projects. There are a number of projects within the 3 Year Transformation Plan which address these measures. These include the rollout of the following: <ul style="list-style-type: none"> • Supervisory Control and Data Acquisition (SCADA)/Telemetry which will enable the remote monitoring and control of water services. • Leakage Reduction and Water Conservation Standardised Operational Plans • Domestic Metering including water conservation • Energy Efficiency • Contract Optimisation • Standardised Operational Procedures • Work & Asset Management System (Maximo) Deployment • Planned Maintenance Programme • Industry Performance and Risk Management Frameworks • Inventory Management • Integrated Management System
62	A concerted effort should be made to reduce unaccounted for water including water leakage levels.		
63	There should be a continued emphasis on water conservation, instead of schemes to increase capacity, leading to savings in operational costs and deferred capital investment.		
64	There should be continued use of Design, Build and Operate (DBO) and bundling of operation and maintenance contracts.		
65	The Department of the Environment, Heritage and Local Government and local authorities should further investigate ways to reduce input costs in areas such as energy efficiency through carrying out energy audits and improving operational and maintenance practices.	Energy spend has increased by €12.1m from 2011 to 2012, from €146.1m to €158.2m, reflecting the increased cost seen nationally.	
66	The IT-based Performance Management System should be implemented for all water plants so that comparative data is available to establish benchmarking for service delivery and inform savings measures.	To be transitioned to Irish Water, which will be overseen by the WSTO.	
67	The review of laboratory services currently underway should be expanded to include an examination, with a view to identifying efficiencies, of water monitoring by other public agencies.	Business case analysis underway for Laboratory Services	The Business Case is still under review to take account of the requirements of the Local Government sector, Irish Water and the Environmental Protection Agency.

PLANNING			
	Action	2012/2013 Update	2015 Update
68	Planning fees should be increased with the aim of moving towards full cost recovery over a 5 year period, and maximum fees for large developments should be terminated.	Amending legislation to increase the fee for certain classes of development was being considered.	The DoECLG considers that the financial gain from increased fees must be balanced against the cost for developers which could dampen demand for new developments. This issue will be kept under review by the DoECLG.
69	A range of efficiency measures should be introduced, such as: - Over the counter validation of applications; - Pre-application consultations on demand for significant development proposals; - Regular information sessions or planning advice clinics.	The average length of time from request for consultation with local authority planner to actual formal meeting for pre-planning consultation has decreased from 10 days to 8 days between 2009 and 2011, based on provisional Service Indicator figures. The number of pre-planning consultation meetings has fallen from 415.5 to 295 per Local Authority; however this likely reflects the reduction in overall planning activity in recent years.	By 2013 the average length of time from request to consultation with a local authority planner to an actual meeting increased to 10 days, reflecting an increased level of planning activity. By 2013 the number of pre-planning consultations increased to an average 383 per local authority.
70	The introduction of e-planning should be accelerated and business process re-engineering exercises should be completed to strip costs from the systems.	The 2013 LGER Report stated that ePlanning is considered within the Online Services Shared Services Project; the business case is due to be considered in March 2013.	ePlanning is in operation for all 31 local authorities. 27 of 31 local authorities using the iPlan system, alternatively an APAS system is used. Consolidation of front end being considered. A project board made up of the local authorities, An Bord Pleanála and the DoECLG has been established to further develop and enhance ePlanning.

WASTE MANAGEMENT			
	Action	2012/2013 Update	2015 Update
71	The system of control for internal movement of hazardous waste within Ireland should be consolidated into the national office within Dublin City Council.	Achieved	In operation.
72	The waste collection permitting role should be centralised, and if necessary implemented through the network of Regional Waste Management Offices.	2012 LGER Report stated that Offaly County Council was appointed lead agency for all waste permits in 2011. The National Waste Collection Permit Office (NWCPO) was established in February 2012. The 2013 LEGR identified that savings of €4m was achieved through the NWCPO. The NWCPO issues waste collection permits on behalf of all Waste Management Regions.	Total of 1,558 waste collection permit applications received since the office commenced operation on 1 st February 2012. This, combined with the waste permits that were issued prior to the establishment of the NWCPO, means that now a total of 2,236 waste collection permits are currently in force. NWCPO received certification to ISO 9001:2008 standard in July 2014. The role of the office is currently being expanded to include a national waste facilities register and annual return reporting system. Separately, Waste Enforcement Regional Local Area offices were established in each of the three regions. These are hosted by Dublin City Council, Cork County Council and a consortium of Donegal and Leitrim County Councils. These oversee and coordinate waste enforcement in their respective regions.
73	Local authorities should avail of opportunities to secure continued rationalisation of activity in waste management services.	Across the 34 local authorities waste was collected by private operators in 32 local authority areas, exceptions being Waterford County Council and Galway City Council.	Waterford County and Galway City no longer collect waste.

MOTOR TAX			
	Action	2012/2013 Update	2015 Update
74	The online motor tax system should be expanded to allow owners of commercial and other vehicles to pay online.	This has been in place since November 2011.	Operational
75	A handling fee of €10 should be introduced to reflect the cost of processing manual motor tax payments to reflect the additional costs involved and encourage take-up of the online motor tax service.	Not being implemented as would disproportionately disadvantage those without access to online services.	No change.
76	The 'off-the-road' facility allowing car owners to self-declare vehicles as not in use should be removed, subject to exceptional and specified circumstances.	Necessary legislation being drafted.	Since 1 October 2014 motorists must declare in advance that their vehicle will be off the road, removing the scope for retrospective declarations.
77	The cost of a ten-year driving licence should be increased from €25 to €40, and the cost of a replacement licence from €15 to €30.	Implementation to be considered in conjunction with the plastic card driving licence.	The National Driver Licence Service was established to consolidate the driver licence application process. The cost of a 10 year driving licence is €55 and the cost of a replacement licence is €35.

OTHER EFFICIENCIES			
	Action	2012/2013 Update	2015 Update
78	Regular competitive tendering should be carried out for banking services and overdrafts, and local authorities should use their purchasing power to procure uniform overdraft rates at national level.	The 2013 LGER Report pointed out that a Treasury Management Business Case report was approved in September 2012 which established the case for setting up a sectoral Treasury Management Shared Service Centre (SSC). Cork County Council was selected to do the detailed Shared Service Centre design, build and set up on behalf of the sector.	It was found that the Treasury Management Shared Service project being advanced by Cork County Council required legislative change. That stated, local authorities recognised the need to deliver efficiencies in Treasury Management. As a result local authorities are sharing good practice in relation to treasury management. In addition, the Office of Government Procurement (OGP) intends to put in place a framework for banking services by Q1 2016.
79	The best rates available should be obtained for investments/deposits – markets should be checked regularly to ensure best rates are being obtained.	The 2013 LGER report highlighted that this was to be included as part of the scope of the Treasury Management Shared Service Centre.	Through the Treasury Management project training was put in place for: <ul style="list-style-type: none"> • Treasury Policy, Risk Management and Reporting • Cash and Liquidity Management • Debt Funding and Banking Documentation • Banking Documentation Concepts • Interest Rate Risk Templates have been prepared for Treasury Management Policies and Procedures for the sector.
80	A treasury management best practice forum should be established (including a mentoring system between local authorities geared towards those local authorities that lack specialised skills in this area), while preserving financial autonomy.	The 2013 LGER Report stated that this was to be included as part of the scope of the Physical Pooling Treasury Management SSC.	
81	A specialist group should be established to examine the possibility of pooling arrangements for surpluses/ overdrafts of local authorities and attempt to match them, possibly through the Housing Finance Agency as host.	The 2013 LGER Report stated that this was to be included as part of the scope of the Physical Pooling Treasury Management SSC.	A Business Case for Debt Management was prepared. One of the main objectives was to implement cash pooling for local authorities. Due to legislative constraints, this was not possible. Therefore, the project did not proceed as planned. However, an exchange of best practice and a training programme for Treasury Management was implemented.
82	The approval period for overdraft sanctions should be extended as appropriate from 6 months to 1 year to reduce repeat applications.	The 2012 LGER Report indicated that this was put in place.	Delivered
83	The development of online services should be intensified to improve both efficiencies and service provision to the public.	The 2013 LGER Report highlighted that a Business Case for Online Services was complete and awaiting Peer Review outcome.	The Local Government Portal, www.localgov.ie , has been established. All local government services have been identified and added to a service catalogue. The Local Government Portal currently hosts the Building Control Management System (BCMS), with over 31,000 registrations, 200,000 documents, 12,000 forms and €2 million fees collected since it was set up in 2014.
84	Local authorities should be allowed to advertise statutory notices in summary form, providing relevant links to pages on local authority websites to encourage online consultation and reduce advertising budgets.	Legislation Required	Implementation would require amending primary and secondary legislation. Scope for reducing the detail will be considered by DoECLG as opportunity arises in the on-going amendment of both the Planning and Development Act and Regulations.
85	The amounts spent on professional consultants should be reduced.	The 2013 LGER Report stated that in 2011 spend under consultancy and professional fees was €42.5m, and 2012 spend was €34.3m, representing a reduction of €8.2m.	Figures available for 2014 indicate that Professional Fees for 29 of the 31 local authorities was €32.8million.
86	GPS systems should be installed in all vehicles within the local authority fleet.	A sample of local authorities was contacted to ascertain progress in relation to the installation of GPS in their fleet. Of the 11 sampled, 960 vehicles had GPS installed out of a total fleet of 2,765. Those local authorities sampled who had not yet installed GPS indicated it would be complete by end 2013.	This is still in progress and requires review; however a sample of local authorities surveyed indicated that GPS systems are installed on all of their vehicles.

OTHER EFFICIENCIES CONTINUED			
	Action	2012/2013 Update	2015 Update
87	Each local authority should review the potential for rationalising and consolidating the number of depots across different locations and across different local authority service areas.	The 2013 LGER Report indicated that local authorities are continuing to pursue all opportunities to organise their staff and workload in the most efficient manner.	Work on consolidation continues.
88	An Innovation Fund should be established by the Department of the Environment, Heritage and Local Government to incentivise innovation and efficiencies in the operation and delivery of local government services, and to incentivise joint public service delivery at local level – projects financed through this fund would also be financed through a local contribution.	€2m was earmarked in Local Government Fund for reform/innovation with disbursement criteria being decided.	Innovation Fund in place within DoEHLG. This provides funding for assessment of projects that will deliver efficiencies, along with seed capital to initiate the projects.
89	Service indicators should be more firmly embedded and used as part of the efficiency agenda, for example by the performance of each local authority being regularly reviewed by local authority management teams to drive change and challenge existing approaches to service delivery, and by being one of the considerations in the selection of issues for examination as part of VFM studies. The potential also exists for service indicators to be used to guide allocation of central government resources at local level in the future.	The 2013 LGER Report stated that "existing service indicators will be replaced by an enhanced system of performance indicators which will demonstrate a local authority's overall performance in delivering a particular activity or service and will facilitate evaluation against the performance standard for that activity or service. Local authority annual reports will include a comprehensive review of performance against these standards". (Putting People First, DECLG, Oct 2012)	The National Oversight and Audit Commission (NOAC) was established in July 2014 to scrutinise the performance of any local government body against relevant indicators as selected by NOAC, or as prescribed in Ministerial regulations. This function of NOAC replaced the assessment of local authority performance through service indicators. The 35 Performance Indicators determined by NOAC measured performance in 2014 across a wide range of local authority functions including housing provision, planning services, environmental enforcement and financial performance. The <i>Performance Indicators in Local Authorities 2014</i> report was published on 16 December 2015.
90	Local authorities must make greater use of available data in decision-making, including in relation to the allocation of resources. This data includes service indicators, financial performance, value for money reports, benchmarking based on quantitative and qualitative information, and other metrics and analysis available.	The Business Case on Knowledge Management is being finalised and awaits Peer Review. Local authorities are making significant progress in facilitating use of data by citizens and businesses (i.e. Dublinked and the South Tipperary Data Hub), yielding positive outcomes for citizens.	A Data Gathering project was initiated in 2015 by the local government sector working with the LGMA and the DoEHLG to design and deliver a data gathering framework that would effectively manage and optimise data requested from and produced by the sector to an agreed standard. This will be designed to improve data usage and support evidence based decision making.
91	Local authorities should continue their role in promoting and leveraging community actions and local innovation to improve local areas, for example in the maintenance of local estates.	The 2012 and 2013 LGER Reports highlighted that this was an ongoing process.	Significant progress has been made in relation to this. Each Local Authority has established a Local Community Development Committee (LCDC) which will: <ul style="list-style-type: none"> • Prepare the community elements of a 6-year Local Economic and Community Plan (the Plan); • Coordinate, manage and oversee the implementation of local and community development programmes as part of implementing the Plan, and • Coordinate generally local and community development activity within the operational area of the Local Community Development Committee for the purposes of reducing overlap, avoiding duplication and improving the targeting of resources.
92	The consolidation of local development bodies should be intensified.	The 2012 LGER Report stated that this would be affected by the outcome of the Local Government/Local Development Alignment process.	The Community Development Programme has been replaced by the Social Inclusion and Activation Programme (SICAP). The number of bodies implementing this is limited to one per local authority administrative area.

OTHER EFFICIENCIES CONTINUED			
	Action	2012/2013 Update	2015 Update
93	The programmes and plans of local development bodies should be aligned with those of the relevant local authorities to ensure maximum value for money and a more focused impact on local communities.	Developments in this area would be affected by the Local Government/Local Development Alignment process.	The LCDCs were tasked with preparing Local Economic and Community Plans which were due for completion by the end of 2015. 22 are completed and the remaining 9 are expected to be completed by July 2016.
94	The plans of local development bodies must be approved by their appropriate County, City or City and County Council, and these bodies should report on the progress made in implementing these plans to local authorities at regular intervals.	Developments in this area would be affected by the Local Government/Local Development Alignment process.	The LCDC will have oversight and approve the plans and priorities of both the SICAP and the Rural Development Programme once the Local Economic and Community Plans are adopted.
95	All new local development programmes should be placed under the care and control of the relevant local authorities.	Developments in this area would be affected by the Local Government/Local Development Alignment process.	Process and procedures are being finalised to define and strengthen the role local authorities will have in relation to oversight of SICAP and the Rural Development Programme.
96	County/City Enterprise Boards should be integrated within their respective local authority	The 2012 Action Plan for Jobs provided for the establishment of Local Enterprise Offices in each local authority.	The County and City Enterprise Boards were dissolved and replaced with Local Enterprise Offices, which are operated by the local authorities under a Service Level Agreement with Enterprise Ireland.
97	The County/City Development Board (CDB) Interdepartmental Group should remain in place to strengthen and develop the CDBs including overseeing relevant recommendations in this report.	Developments in this area would be affected by the Local Government/Local Development Alignment process.	The County and City Development Boards have been replaced by the LCDCs, and as outlined above they have a strengthened role in relation to community and economic development.
98	CDB member bodies should be incentivised to share resources and promote better co-ordination of publicly funded local services – this could be done either by making a small percentage of budget allocations to relevant member bodies conditional on the delivery of agreed joint service initiatives as confirmed by the CDB, or by ring-fencing a small percentage of budget allocations to relevant member bodies specifically for the delivery of joint service initiatives as agreed by the CDBs.	Developments in this area would be affected by the Local Government/Local Development Alignment process.	The CDBs have been replaced by the LCDCs. There is no obligation for organisations represented on the LCDCs to share resources or ring-fence budgets.
99	Cost recovery should be attained in water services for non-domestic users, and in waste charges for both domestic and non-domestic users, in line with Government policy.	A Regulator within the Commission for Energy Regulation will be established for the water services sector.	Irish Water is engaging with the CER regarding harmonisation of tariffs for non-domestic water services; migration of Non Domestic billing from local authorities is due to commence in 2016. Government set the level of charges for domestic users in Q3 2014.
100	The wide variation across authorities in the level of development contributions should be examined by the Department of the Environment, Community and Local Government to ensure that contributions provide a meaningful contribution to the costs of the infrastructure needed to support development.	Draft Development Contributions Guidelines in preparation by DoECLG.	In 2013, the DoECLG published guidelines which included a 7-step methodology for the preparation of a Development Contribution Scheme. The objective of the guidance was to ensure that there was a greater level of consistency in development contribution schemes on a national basis and to provide enhanced clarity to inform investment decisions across different local authority areas. A key step in the methodology is to estimate the nature and scope of future development.

OTHER EFFICIENCIES CONTINUED			
	Action	2012/2013 Update	2015 Update
101	A series of exemptions to the commercial rates base should be curtailed.	Proposals for Valuation Act amending legislation brought to Government by the Minister for Public Expenditure and Reform.	The Valuation (Amendment) Act 2015 extended exemptions from rates to correct anomalies, maintaining the principle that those that operate for profit should be rateable and provided a partial exemption from commercial rates for Community Sports Clubs that are licensed under the Registration of Clubs (Ireland) Act 1904. Section 31 of the Local Government Reform Act 2014 enables a local authority to specify electoral areas where vacant premises can receive a refund. That stated, the sector has advanced a significant programme aimed at improving debt collection, with a focus on commercial rates.
102	Pending a decision over the future system of Higher Education Grants, the administrative overheads associated with this area falling to local authorities should be fully recouped by the Department of Education and Skills.	The 2013 LGER Report stated that all new applications were being processed by Student Universal Support Ireland (SUSI).	Since 2013 all new applications for student support are processed by SUSI. Where a student is already a client of a local authority, then they do not transfer to SUSI. Local authorities are still bearing the costs as the service transitions to SUSI.
103	Local authority contributions to Vocational Educational Committees (VECs) should cease.	Agreed with the Department of Education and Science that the requirement to pay annual VEC contributions would be removed with effect from 2012 onwards.	In 2010, the 33 VECs have been consolidated into 16 Education and Training Boards. Local authorities no longer contribute to the Education and Training Boards.
104	Full economic cost recovery should apply to all services carried out by local authorities on an agency basis on behalf of central government on the basis that services are being run efficiently.	In addition to Higher Education Grants as outlined above, this also refers to cost recovery for Civil Defence and Coroners.	Local authorities still contribute to Civil Defence and Coroners; full cost recovery is not currently in place or for other functions such as the Local Enterprise Offices.
105	Existing approaches to charging should be adapted in line with the model of the annual charge on non-principal private residences, particularly as regards dealing with late payments, and providing for charges and late payment penalties to be a charge against a property where possible.	Implemented in respect of the Household Charge introduced in 2012.	A charge on a property can be applied for commercial rates, which is the largest category of charge applied by local authorities. However, it is not applied in relation to other charges, for example rents, fire services, etc. The effectiveness of applying a charge on a property would need to be considered on a case-by-case basis for each category of fee as it may not be feasible, or may impact on other policies of the local authority, for example housing, safety, etc.
106	Arrangements necessary to allow for the levying of local taxes and domestic water charges should be progressed as a matter of priority.	Household Charge (succeeded by Local Property Tax) introduced in 2012 and domestic water charges announced.	Government set the level of charges for domestic water users in Q3 2014. Local Property Tax came into effect in 2013. It is forecast that the Local Property Tax will raise an income of €473.6million in 2016.