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*Local and Regional Democracy*

## **The relationship between central and local authorities**

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Prepared with the collaboration of  
Alba Nogueira López  
Professor at Santiago de Compostela University, Spain

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# Table of contents

<b>Introduction.....</b>	<b>1</b>
<b>I. Municipal organisation in European states .....</b>	<b>3</b>
<b>II. Principles of interaction between local and central authorities ...</b>	<b>15</b>
A) Principles that deal with the assignment of responsibilities .....	15
B) Principles that provide for adequate interactions .....	18
<b>III. Main areas of local responsibility .....</b>	<b>22</b>
A) Town planning .....	22
B) Utility services: water and waste management.....	24
C) Primary education and kindergartens .....	25
D) Social care .....	27
E) Recapitulation: wide scope of the areas under local responsibility .....	30
F) Conclusion: trends in interactions between central and local authorities in the main areas of responsibility.....	32
<b>IV. Good practices in the relationship between central (state/region)         and local authorities.....</b>	<b>33</b>
A) Bilateral consultation structures and mechanisms.....	33
B) Information and advice to local authorities .....	37
C) Co-operation mechanisms .....	38
D) Financial good practices.....	40
E) Delegation of responsibilities.....	42
F) Other good practices.....	43

<b>V.</b>	<b>Conclusions.....</b>	<b>57</b>
A)	Communication: the most frequent form of interaction .....	57
B)	Increasing bilateral co-operation mechanisms .....	57
C)	Interactions to grant financial sufficiency and negotiated definition of local incomes.....	58
D)	Different models of institutional arrangements: the relation between formal and informal interactions .....	58
E)	The Associations of Municipalities as privileged interlocutors in central/local relationships.....	59
F)	Central (State/regional) interlocutors .....	60

## **Introduction**

The purpose of this report is to give an overview of the interaction between local authorities and central government, and/or regional authorities in States where regional authorities have legislative powers affecting local government. The study of these relationships will allow the identification of good practices and show which actors participate in exchanges between local and central authorities and under what circumstances.

An analysis of the actual situation regarding interactions between local and central (State/regional) authorities was made on the basis of the information supplied by member states to a questionnaire drawn up for the purposes of this research. A significant number of States replied, to varying extents, to the questionnaire in July and August 2006. Some of the replies offer a detailed picture of central/local interactions in their country with in-depth analyses of all the items. Other replies show a partial picture of those interactions or do not cover the whole range of local authorities; they are taken into consideration for the aspects they do cover. The report was written from August to mid-September 2006 and attempts to systematize the information provided and to highlight the most relevant or interesting examples of central/local interactions. Further replies and remarks regarding the draft report were provided in October and November. The present revised report takes account of the comments and changes proposed by member states.

The diversity of national systems requires a previous definition of the notion of local authority. The report focuses on the first or basic level of local government understood as a political organisation with precise areas of responsibility that provides services to citizens. All member states share in common the existence of municipalities as a territorial division that holds a series of powers and competences which are legally determined – “a substantial share of public affairs under their own responsibility” in the words of Article 3 of the European Charter of Local Self-Government – and which is ruled by freely elected members. However, member states’ replies to the questionnaire show, basically, three forms of local territorial organisation. Some States only have one single tier of local authorities with homogeneous powers and responsibilities. Another group of member states have two tiers of local authorities with different powers and responsibilities between them – usually the second tier giving support to the basic one – but with a homogeneous territorial distribution. A third group of member states reports the coexistence of several forms of organisation – one tier and two-tier local

authorities – as a way to differentiate between the needs of urban agglomerations and rural or small municipalities. Decentralised States have another governmental tier that must be taken into consideration for a complete understanding of the picture of the interactions of local authorities.

It is also necessary to examine the principles and mechanisms that govern the relations between local and central authorities. In fact, the nature and extent of good practices are often a consequence of prior constitutional or legal definitions of the position and principles concerning each tier.

As the aim of this report is not to establish an all-encompassing overview of all relations between local authorities and central (State/region) authorities, it does not cover a full range of policy areas but rather the most significant ones. The five main policy areas pointed out by member states give rise to greater coincidences than could be expected, given the diverse territorial organisation previously shown.

Once the legal framework – principles and mechanisms of interaction – is described, interactions in those chosen areas of responsibilities can be studied. Formal and informal interactions, the nature and frequency of relations, their general or sectoral type as well as the political or technical level in which they take place, are some of the subjects that are made clear by the member states' replies.

Good practices in these relationships are somewhat subjective, depending on who identifies them, but an interaction on a regular basis with an adequate proximity between central and local authorities is usually a factor that contributes to that consideration.

The report is divided into four parts. The first one describes local authorities in Europe. The second part features the principles, rules and mechanism of interaction between central and local authorities that often derive from constitutional or legal mandates. The third part explains the main areas of responsibilities that make up the core of local authority action. The study tries to extract a general picture of the diverse national situations. The fourth part of the report describes good practice in central and local authority relationships.

## **I. MUNICIPAL ORGANISATION IN EUROPEAN STATES**

Municipal organisation across Europe is quite diverse in terms of institutional structure, size and responsibilities. In order to describe good practices in local-central relationships it is necessary to gain a common understanding of what is defined as the basic local authority in member states. All member states share in common a complete division of their territory into municipalities and huge differences in the number of inhabitants between the smallest and biggest entities. In fact, some States have undergone or are presently undergoing reforms (e.g. Denmark) destined to reduce the number of local authorities so that they cover a greater number of inhabitants. However, the diversity of situations makes it difficult to generalise as regards what the basic or first tier of government in all member states is. It is also difficult to clearly differentiate in second tier local authorities between those authorities that can be considered local entities and those authorities that are decentralised State representations. In fact, in an effort to build up a classification, at least three forms of local authorities can be described.

Many European States (including Northern Ireland, Scotland and Wales, since the United Kingdom has a different local structure for England, Northern Ireland, Scotland and Wales) report the existence of just one tier of local government. Municipalities in those member states largely share the same powers and responsibilities but there are special regimes for several particularities: capital cities, bigger entities, communities in need of a specific statute because of territorial circumstances.

Thus, as the range of population between the biggest municipalities and the others is usually very significant there are sometimes special provisions that allow capital cities or urban agglomerations to have wider powers (i.e. Czech Republic, Slovenia, “the former Yugoslav Republic of Macedonia”). Sometimes (Czech Republic) these different regimes derive from a legal delegation to the entities (Prague, municipalities with extended powers) that are capable of assuming attributions in addition to the basic common standard of competences. In exchange, smaller municipalities – in terms of inhabitants – in some cases create structures in order to facilitate the delivery of services. The constitutional reform in France in 2003 introduced an interesting possibility that breaches homogeneity, allowing territorial entities to experiment with responsibilities that are not part of their legal attributions.

In some European States local government is divided into two tiers (county-province-district/municipality) with different powers and responsibilities, but with homogeneous territorial distribution. The second tier usually gives support to the basic one, although there are States that attribute responsibilities to the basic tier depending on the number of inhabitants (e.g. Germany, Spain). In certain countries, towns or capital cities might also have recognised special attributions (e.g. Hungary, Latvia, Spain, Turkey, etc.). In those countries the second tier is also an entity with its own powers and competences and not a decentralised State body.

In England and Ireland, local authorities show a greater heterogeneity. In England there is a mixed system of single-tier local government in shire areas (mostly larger towns and cities), the London boroughs and other metropolitan district councils. Elsewhere, two-tier local government prevails, with county councils as the upper tier and district councils as the lower tier. In fact, each of these two systems operates, respectively, very much as the unitary or dual forms of organisation described above. Single-tier local authorities combine the areas of responsibility that are divided between both authorities in two-tier areas. In Ireland, the basic local authorities are counties (29), cities (5), boroughs (5) and town councils (75). Boroughs and larger town councils have a broader range of functions.

Even this diversity in the municipal organisation of member states shows some regular patterns. Local authorities of the same level have the same powers and responsibilities, but usually urban agglomerations have specific regimes to provide for their greater need for services and their ability to deliver them autonomously. In fact, it can be said that Europe is going through a “metropolisation” phenomena, with an increasing role being played by urban agglomerations that has economic, social and also institutional repercussions. Big cities have different needs and problems (financial, social, etc.) and tend to have direct interlocution with central authorities not using the groupings representative of municipal interests that are quite effective for smaller entities (i.e. in 2001 Glasgow abandoned the Committee of Scotland Local Authorities because of financial controversies with the Scottish executive). In some cases, big cities also “compete” with regions to be the political reference of their area of influence (as in Barcelona). In Italy, the constitutional reform adopted in 2001 recognised a special “status” to Rome.

On the other hand, for the provision of services, smaller entities tend to group together or to have the support of an upper tier. In some cases inter-municipal

co-operation has led to a regionalisation process which ensures the delivery of services and the implementation of certain policies which a local authority on its own cannot carry out. This need to deliver services together and to implement regional policies has associated local authorities in a sort of quasi-regional structure in some unitary States (Finland, Latvia, the Netherlands, Sweden). Inter-municipal cooperation might even be mandatory in order to manage specific delegated competences (Denmark) for municipalities of under 20 000 inhabitants that do not want to merge with another municipality.

**Table 1: Local authorities / Municipalities in member States having participated in the survey**

Member State	Total number in 1950	Present total number 2007	Surface in km <sup>2</sup> (most recent figures available)			Population (most recent figures available)		
			Maximum	Minimum	Average	Maximum	Minimum	Average
Belgium <i>Municipalities</i>	2669 <sup>1</sup>	589	213.73 (Tournai)	1.13 (Saint-Josseten-Node /Sint-Joosten-Noode)	51.20	464 038 (Antwerp)	84 (Herstappe)	17 898
Bulgaria <i>Municipalities</i>	Since 1979: 291 (before: 1389)	264	1 349	44	-	1 208 930	1 405	-
Czech Republic <i>Obec</i>	11 459	6 244 Municipalities+ 5 military domains	496	0.42	12.6	1 181 610	19	1 641 (including military domains)

<sup>1</sup> At 31 December 1949 (figures for 31 December of the year requested are not available)

Member State	Total number in 1950	Present total number 2007	Surface in km <sup>2</sup> (most recent figures available)			Population (most recent figures available)		
			Maximum	Minimum	Average	Maximum	Minimum	Average
Denmark <i>Municipalities</i>	1 391	98	1 489	9	440	503 699	2 058	55 582
Estonia <i>Towns</i>	33 towns (6 republican towns)	33 towns	158.3	1.93	19.5	398 599	100	6 132 per entity (capital city included)
<i>Rural Municipalities</i>	63 village councils <sup>2</sup>	194 rural municipalities	871.62	1.76	Total average: 191.3			4 396 per entity (capital city excluded)

<sup>2</sup> During the Soviet period no real local autonomy existed. Village councils, having limited powers, did not have separate budgets.

Member State	Total number in 1950	Present total number 2007	Surface in km <sup>2</sup> (most recent figures available)			Population (most recent figures available)		
			Maximum	Minimum	Average	Maximum	Minimum	Average
Finland <i>Municipalities</i>	547	416	15 185	6	706	564 521	120	12 685
France <i>Communes</i>	38 000	36 783	18 360	0.04	17	2 125 246	0	1 636
Georgia								
Germany <i>Kommunen</i>	24 156	12 340	891.85	0.40	28.94	3 395 189	5	6 681

Member State	Total number in 1950	Present total number 2007	Surface in km <sup>2</sup> (most recent figures available)			Population (most recent figures available)		
			Maximum	Minimum	Average	Maximum	Minimum	Average
Hungary <i>Település</i>	3 032	3152 municipalities (3128 villages, towns + 23 cities with county ranks +capital)  Local governments : 3194, which consist of 3175 municipal and 19 county self governments	525.16 (Budapest)	1.54 (Búcsúszent-lászló)	29.51 if capital city is taken into account as one municipality	1 697 343 (capital city Budapest)	14 (Iborfia)	3 229 if capital city is taken into account as one municipality  3 206 if capital city is taken into account as having 23 districts/local authorities

Member State	Total number in 1950	Present total number 2007	Surface in km <sup>2</sup> (most recent figures available)			Population (most recent figures available)		
			Maximum	Minimum	Average	Maximum	Minimum	Average
Iceland								
Ireland <i>County/city councils</i>	31	34	7 467.97	20.35	2064.18	495 781	25 799	115 212
<i>Boroughs /town councils</i>	77	80	24.68	0.24	6.49	28 333	437	6 737
Italy <i>Comuni</i>	7 781 (1950)  7 827 (official data 1952)	8 101	1 285.30 (Rome)	0.1 (Atrani province of Salerno)		2 546 804.00 (Rome)	33.00 (Monterone, province of Lecco)	7 035

Member State	Total number in 1950	Present total number 2007	Surface in km <sup>2</sup> (most recent figures available)			Population (most recent figures available)		
			Maximum	Minimum	Average	Maximum	Minimum	Average
Latvia								
Lithuania <i>Savivaldybės</i>	87	60	2 179	90	1 088	552 930	2 731	56 721
Luxembourg <i>Communes</i>	126	116	113.36 (Wincrange)	5.29 (Remich)	21.92	76 618 (Luxembourg-ville)	270 (Neunhausen)	3 961
Malta	0	68 Local Councils	26.59	0.158	4.30	22 210	303	6 260
Netherlands								
Norway	744 (in 1957)	431	9 704	6	751 (median 465)	548 617	214	10 861 (median 4 435)

Member State	Total number in 1950	Present total number 2007	Surface in km <sup>2</sup> (most recent figures available)			Population (most recent figures available)		
			Maximum	Minimum	Average	Maximum	Minimum	Average
Portugal <i>Municípios</i>	303	308	1 720	8	319	519 795	461	35 491
Romania								
Russian Federation	0	24 219	~ 500	0.1	705	1 400 000	105	5 895
Slovak Republic <i>Obce (Municipalities)</i>	3 359	2 891	404.75	0.48	17.00	8 423	8	873
<i>Mestá (towns)</i>	68	138				425 459	1 457	21 643



Member State	Total number in 1950	Present total number 2007	Surface in km <sup>2</sup> (most recent figures available)			Population (most recent figures available)		
			Maximum	Minimum	Average	Maximum	Minimum	Average
Turkey <i>Belediye</i>	628	3 225				8 803 468	683	16 560
Ukraine								
UK (England) 2007: <i>Shire Districts</i>	1 118	238	<u>Shire Districts</u> 2 226.08 (Durham )	<u>Shire Districts</u> 21.42 (Watford)	Not available	194 000	24 500	96 500

## **II. PRINCIPLES OF INTERACTION BETWEEN LOCAL AND CENTRAL AUTHORITIES**

Interaction between local and central authorities is governed by some principles - most of which are laid down in the European Charter of Local Self-Government - that concern both the question of how responsibilities are distributed and/or shared and the mechanisms to facilitate interaction when needed. A first group of substantive principles deals with the assignment of responsibilities: self-government, legality, general competence clause, subsidiarity and delegation of competences. A second group of principles, that can be called instrumental, provide for adequate relationships and the respect of each tier's sphere, once powers and responsibilities are distributed: co-operation, information, consultation, financial sufficiency, monitoring. While the former establishes the position of each authority and their sphere of responsibilities, the latter governs interactions between them.

### **A) Principles that deal with the assignment of responsibilities**

#### **Local self-government**

Local self-government is the core principle on which municipal action is based. Article 2 of the European Charter of Local Self-Government establishes that “the principle of local self-government shall be recognised in domestic legislation, and where practicable in the constitution”. Self-government, or local autonomy as it is called in several States, constitutes the basis on which the political dimension of local authorities is founded. The principle of local self-government differentiates a local authority as an elective territorial unit with a political dimension and competences of its own from purely administrative divisions. Nevertheless, effective self-government depends on the attribution of a sphere of responsibilities with sufficient financial support and not limited by superior mechanisms of control – specially “ex ante” and/or monitoring of expediency. A clear definition of this sphere of powers and responsibilities conferred to local authorities accompanied by adequate financial autonomy helps to establish democratic mechanisms of interaction with regional/State authorities and encourages good practices.

#### **Legality principle**

Responsibilities of local authorities are defined by law. Legal provisions set up the range and scope of responsibilities. Local authorities are subordinated to

these legal mandates (legality principle). The powers given to local authorities should “normally be full and exclusive” (Article 4, paragraph 4 of the European Charter of Local Self-Government) although legal and financial constraints frequently limit the scope of these responsibilities. Both general and sectoral laws regulate the nature of local responsibilities. In regional or federal States, local powers and responsibilities may be regulated by regional legislation. On the other hand, local authorities have, to a varying extent depending on the countries, a regulatory power that must respect the legal framework set by central regulations. That regulatory power is an expression of local self-government and affects issues of municipal responsibility.

Sometimes constitution or legal acts also define the principles that govern interactions between local and central authorities (co-operation, information, subsidiarity, etc.), although these legal provisions tend to be quite scarce and lacking in sufficient precision.

In the Netherlands, institutionalisation of those interactions has occurred via the Code of Inter-administrative Relationships which provides for an extensive regulation of the rules and mechanisms of relations between different authorities.

In Switzerland, local self-government is guaranteed by the federal constitution, but it is regional law established by cantonal parliaments which assigns responsibilities and their scope. Looking for a balance between cantonal and local functions, certain cantons grant municipalities a right of legal initiative in order to propose adoption, modification or repeal of cantonal constitutional or legal provisions.

### **General competence clause**

Allocation of specific powers and responsibilities by law goes together with the recognition of a “general competence clause” that acknowledges the power of local authorities to intervene in any matter of local interest. The general competence clause allows for the enlargement of the domain of local action if it is necessary to serve the interests of the local population. It is difficult to establish the limits as to what comes under “the interests of local population”. In Finland, for example, after some resolutions that initially limited local authorities’ international relations, courts allow certain international contacts to be considered a part of that local agenda by virtue of the general competence clause. In Sweden, the judicial resolutions have led to an

interpretation of the general competence clause with influence over local legislation. However, financial constraints and other tiers' legal responsibilities limit the impact of the general competence clause.

### **Subsidiarity principle**

The general competence clause links in with the subsidiarity principle that establishes a preference in the exercise of competences by those authorities closest to the citizen (Article 4.3 of the European Charter of Local Self-Government). Italy, Portugal, Romania, the Netherlands, Spain and the United Kingdom and "the former Yugoslav Republic of Macedonia" for example, mention subsidiarity as a ruling principle of interaction between central and local authorities. When carrying out shared competences, the tier closest to the citizens that will be able to give an effective response to their needs should be chosen.

### **Delegation of competences**

Interaction frequently takes the form of a delegation of competences of the central (State/regional) authorities to the local tier (i.e. Czech Republic, Latvia, Lithuania, Slovak Republic, Spain). Legislation delegating competences usually sets mechanisms of information, monitoring and financing the exercise of those competences. In the Czech Republic, the exercise of delegated competences involves a permanent flow of information between central and local authorities. Central authorities need to ensure the flow of information to local authorities and to get a feed-back from municipalities that can lead to legal reforms.

Reform of the legal framework and the institutional structure of local and regional government is currently underway in Portugal. The definition of the new competences at the local government level and the model of delegation of competences by the State to local government are accompanied by financial resources necessary to exercise these competences. France's constitutional reform of 2003 establishes (Article 72.2) that delegation of competences must be accompanied by the financial resources necessary to exercise those competences.

The European Charter of Local Self-government allows for extended "administrative" supervision by higher authorities "in respect of tasks the execution of which is delegated to local authorities" (Article 8.2), while

considering that general supervision should be limited to legality compliance. In the event of delegated powers, local authorities exercise those powers on behalf of the State that can set standards of action and monitor not only the lawfulness of that exercise, but also the performance of those delegated powers.

## **B) Principles that provide for adequate interactions**

Instrumental principles provide for adequate relationships and the respect of each tier's sphere, once powers and responsibilities are distributed.

### **Co-operation**

The principle of co-operation between central and local authorities is present in many States' constitutional or legal provisions (i.e. Finland, Lithuania, Portugal, Spain). A general mandate of mutual understanding and support to the benefit of citizens underlies this principle. Article 55 of the Spanish Local Regime Act gives a clear perspective of what that principle encompasses: respect for the legitimate exercise by other authorities of their responsibilities; taking into account the full range of public interests when carrying out own competences and, especially, those corresponding to other public authorities; facilitating access of other authorities to relevant information for the development of their responsibilities; giving effective support to the exercise of other authorities' functions. In Switzerland, cantonal legislation expressly regulates co-operation duties between cantons and municipalities for certain shared competences. In Italy, the principle of "fair collaboration" between different tiers of government is laid down by the Constitution (art.120, last paragraph). At the regional level the prefect (*prefetto*) is entitled to carry out activities aimed, *inter alia*, at ensuring respect for the principle of co-operation between the State (central government) and the Region as well as at coordinating measures between central government and local authorities. Article 10 of State Law no. 131/2003 explicitly names the prefect as "Government Representative for the relations with the self-government system".

### **Mutual information and consultation**

The principle of mutual information and consultation (Lithuania, Norway, Slovak Republic, Spain, Switzerland) underlies most of the good practices that can be identified in interactions between local and central authorities. The need for local authorities to be informed of State/regional initiatives as well as to be

consulted in the decision-making process favours adequate implementation of public policies. On the other hand, central authorities should have local data in order to design public policies that are relevant to local communities. Keeping public registers, providing data for statistical work, providing information on local issues are activities that are usually reported by member states.

Prior consultation on local issues is a principle of interaction that can be found in several countries. Consultation can be held on a one-to-one basis or, more frequently, is carried out by central authorities with representative associations of local authorities. On certain issues consultation can be mandatory. Usually those matters with a direct link with local self-government are subject to mandatory consultation: local legislation, budget revenues, taxation policies, territorial changes.

In Bulgaria, Finland, Hungary, Iceland, Malta, Spain and Switzerland, the government bills to the Parliament acts of Parliament concerning local issues must be the subject of consultation with local associations.

Iceland, Hungary and Lithuania also discuss state's budget revenues with local associations. Budget distribution consultation is sometimes held by government representatives and in some other cases by parliamentary representatives. Institutional changes are the subject of consultation in Lithuania. In Spain, decisions on the territorial limits of local authorities are discussed with the municipality that is affected by the changes. In the Netherlands, consultation on matters that concern local authorities and legislative changes is established and should be accompanied by an explanatory memorandum if it involves significant amendments to municipal duties. More general consultation meetings are usually held on a voluntary basis on matters of local interest in most member states. In Italy the "Conference Government – Local Authorities" aims at ensuring a permanent co-ordination between central government and self-government system.

In Bulgaria, a Day of Dialogue is institutionalised across the country. Each constituency's members of Parliament, mayors, local authorities and citizens, as well as officers from central government deconcentrated bodies and the media debate priorities and actions concerning local government.

## Monitoring

Monitoring of local performance is usually limited, as stated in the European Charter of Local Self-government, to lawfulness “ex-post” control. Most countries have administrative or judicial review for local authority decisions. Review also includes expenditure “ex-post” supervision by specialised councils with jurisdictional or quasi-jurisdictional functions (i.e. Portugal, Spain). In Denmark legal supervision is assigned to regional State bodies that give legal advice to municipalities and can even sanction breaches of law, although they rarely do so. The sanctions that may be imposed are annulment, suspension, default fines and action for damages.

Expediency monitoring is carried out for delegated powers, either by prior set standards to be respected by local authorities or by evaluation mechanisms once the delegated powers are put in place. However, the European Charter limits expediency monitoring to those cases since it should be an exceptional practice. In some States, it actually goes beyond delegated powers. In any case, central authorities can promote legal reforms if certain actions or policies are to be assumed by local authorities. In Luxembourg, *commissaires de district* have extensive supervisory functions and play an important role in the interaction between local and central authorities.

The principle of proportionality ensures that controls by central authorities are performed in such a way that any interference does not exceed the importance of the interest defended (i.e. Lithuania). In France, constitutional reforms in 2003 established that no territorial authority may exercise control over another territorial authority. In decentralised States central monitoring is usually assigned to regional authorities than State authorities.

In some cases, local legislation provides for the dismissal or substitution of local authorities in the event of severe violations of their responsibilities which infringe the interests of their citizens (i.e. England, Italy, Latvia, Luxembourg, Spain). Such extreme measures, which are contrary to the principle of local self-government, are usually regulated to ensure they are applied only in exceptional circumstances. In Spain, for instance, central government, after consultation with the autonomous regional authorities and Senate’s approval, can issue a decree for the dissolution of local authorities that have severely damaged the management of general interests against constitutional mandates. In 2006, local authorities of Marbella were suspended because of illegal financial operations that led to bankruptcy. In the Netherlands, an Act

regulates local authority replacement, but only after they have been given a second chance to take the decisions that they had failed to take before. In Italy, according to specific provisions of the “Consolidated law of local authorities’ legal framework” (i.e. law-decree 2000/267), the prefect (*prefetto*) may suspend from office any mayor, provincial chairperson or member of a *Giunta* or council who has committed offences of an exceptional nature. The mentioned municipal or provincial organs can be removed from office by a decree of the Minister of the Interior for committing unconstitutional acts, for seriously and persistently violating the law, or for seriously endangering security.

### **Financial sufficiency**

The principle of financial sufficiency provides for adequate incomes for local authorities in order to exercise the powers and responsibilities that define self-government. Acute differences in local incomes, their nature and origin can be found across Europe. In some States local taxation accounts for a significant part of local incomes (Finland, Switzerland, Sweden, Denmark) while in other cases central budgetary provisions constitute the main contribution to local incomes.

Financial sufficiency is linked to the principle of local self-government, as full exercise of own responsibilities requires unconditional financial support. In Switzerland, financial sufficiency is guaranteed by a system of cantonal financial equalisation. This system tries to maintain an adequate level of local incomes for carrying out tasks and to prevent significant disparities between local authorities. In some cantons – such as Bern – a formal structure has been instituted to discuss these issues. In Finland financial sufficiency is guaranteed by a system of equalisation of the state grants. This system guarantees every municipality the resources necessary for organising the basic services. In Denmark, there is a system of budget co-operation between central government and local authorities that defines the budget on a negotiated basis.

All the principles described constitute the framework for good practices in the relationships between central and local authorities. A clear definition and respect of local powers and responsibilities is guaranteed by the substantive principles of the European Charter of Local Self-government and in most European constitutions or local legislation (self-government, legality, general competence clause, subsidiarity, co-operation and delegation of competences). Instrumental principles, such as information, consultation, financial sufficiency

and monitoring, foster good relationships and the respect of each tier's sphere of action, once powers and responsibilities have been distributed.

### **III. MAIN AREAS OF LOCAL RESPONSIBILITY**

This chapter does not aim to offer an all-encompassing view of local authorities' powers and responsibilities, but rather to identify the main areas of local responsibility in order to study interactions with central (State/regional) authorities and to verify good practices in those relevant areas. Disparities in the member states' answers to the questionnaire might offer a slightly distorted picture, as there are cases where a general area (i.e. infrastructures, social services, education, etc.) is divided and several responsibilities noted, while other countries just point out five areas of responsibility with no details as to its extent. Moreover, in some replies further details are given indicating concrete functions attributed to local authorities in the areas of responsibilities previously mentioned (regulation, taxation, allocation of funds, etc.).

When responding to the questionnaire, most member states did not limit their responses strictly to five areas of responsibility. Instead, most of the replies gave a more detailed view of the areas that define local authority action. Conversely, if some areas were not mentioned, this was possibly because they were judged to be of secondary importance in relation to others thought more relevant for the questionnaire, and not because they were attributed to other authorities.

Town planning, water supply and sewage, waste management, kindergarten and primary education and social services are the main areas of local responsibility in most member states. However, large variations can be observed in the scope of these responsibilities. In addition, differences in the territorial model (decentralisation, regionalisation, strong local authorities, size of the municipalities) account for some of the particularities that can be appreciated. A closer look at those five areas of responsibility held by local authorities' of around 3/5 to 4/5 of the member states might be useful to see the scope of the responsibilities and the nature of the interactions with central (State/regional) authorities.

#### **A) Town planning**

Town planning is one of the areas that most countries report as a municipal responsibility where variations in scope are quite significant.

- In some cases urban planning involves the definition and approval by local authorities of the territorial planning (Bulgaria, England, France, Iceland, Italy, Luxembourg, Portugal, Spain, “the former Yugoslav Republic of Macedonia”) and issuing construction permits.
- In other cases local responsibility is limited to licensing activities or other sorts of administrative and technical services linked to spatial development (Belgium).
- In other cases it is limited to the supervision of enforcement of construction and planning mandates (Spain, Switzerland).
- It could recover the whole of those aspects (Denmark, Finland).

Interaction with central authorities consists in prior conditioning through superior directives or “ex post” monitoring, as well as mutual consultation. Sometimes town planning is subject to prior approval by central authorities of more general territorial planning (Italy, Netherlands, Portugal, Switzerland) or adaptation of local planning to higher planning requirements (England, Luxembourg, Scotland). In some other cases, local approval goes through “ex post” legality supervision by central authorities (Luxembourg, Portugal, Spain). In some cases local initiative in town planning is conditioned to further approval by central authorities (Luxembourg, Spain). In regional States, lawfulness monitoring or final approval is usually a regional matter (Belgium, Spain).

In France, municipalities’ participation in co-operation structures – *établissements publics de co-opération intercommunale* – allows them to collaborate in spatial planning.

In Iceland, under the Planning and Building Act n° 73-1997, either the National Planning Agency or an inter-municipal committee of all interested local authorities prepares regional plans. The aim of a regional plan is to co-ordinate local authority policies. Each municipal council must approve the plan before the Minister gives his/her final approval.

The Slovak Republic’s central authorities – the Ministry of Construction and Regional Development – have far-reaching supervisory powers over local authorities in urban planning. Methodological support, training of local staff, standard setting, supervision of urban schemes’ drafts, counselling and guidance are some of the interactions described in the urban planning domain.

Interlocutors in these interactions are usually civil servants, although decisions are taken at the political level (Belgium, Bulgaria, Ireland, Luxembourg). Central (State/regional) authorities are normally the interlocutors of local authorities rather than specialised or deconcentrated bodies (Norway). In one-to-one interactions, contacts are frequent if the nature of the issue requires it. However, consultation with local authority associations might have a legally pre-defined calendar and assigned periodicity.

## **B) Utility services: water and waste management**

Two utility services emerge as common local responsibilities. Both water and waste management are municipal competences in 60% of the States. Sometimes the whole management cycle is a local responsibility, while in other cases local authorities are responsible for only some of the phases (water supply, waste collection, sewage, disposal, etc.). The industrial, commercial or household nature of waste or sewage may also determine whether a local authority is responsible or not. Household waste is more commonly a local responsibility while other types of waste (sanitary, industrial, etc. may not fall under local competence (Luxembourg, Portugal, Spain).

Several activities might come under local responsibility:

- Organising waste collection and disposal services or water supply and sewage (Bulgaria, Finland, Hungary, Ireland, Italy, Latvia, Portugal, Russian Federation).
- Maintaining and operating waste or water treatment facilities (Bulgaria, Italy, Latvia, Malta, Portugal, Russian Federation, Spain, Switzerland, Turkey).
- Setting the tariffs for payment of these local services (Bulgaria, Latvia, Portugal, Spain, Ukraine).
- Approving the rules and plans to organise the service in compliance with applicable legislation (Bulgaria, Denmark, Italy, Latvia,).
- Issuing permits (Czech Republic).
- All of these activities (Denmark, Finland, Netherlands).

Legislation setting is a central (State/regional) responsibility in most countries, within the framework of the European Union regulations that are very rigorous in these areas.

Consultation is a frequent form of interaction between central and local authorities in these two responsibilities. In Finland, the Finnish Association of Municipalities is a member of the relevant working groups in the preparatory stages of reforms. Weekly and monthly meetings take place during the reforms. In Spain, a Water Council grants consultation of all the governmental tiers (local, autonomous communities and State authorities) on water issues.

The funding of these services is sometimes a central responsibility (Ireland), even if joint action funding is also quite common (Bulgaria, the Czech Republic, Luxembourg, the Netherlands, , Portugal, the Russian Federation, “the former Yugoslav Republic of Macedonia”). Local taxation is also a way of financing the running of both services (Bulgaria, Latvia, Spain). In Scotland, a reasonable charge may be set for commercial waste, while household waste collection is usually not charged.

Central authorities (Iceland), but also specialised bodies – for instance Environmental Agencies (Bulgaria, Finland, Luxembourg, Spain) – are local interlocutors. Deconcentrated bodies are put in place in some countries with support, inspection and supervisory functions (Bulgaria, Czech Republic, Netherlands, Portugal). Contacts are mainly of a technical nature (Bulgaria, the Czech Republic, Iceland, the Russian Federation), but are also held at a political level (Ireland, Luxembourg, Malta, the Netherlands, Turkey).

### **C) Primary education and kindergartens**

Primary education (including kindergartens) is one of the five areas of responsibility most commonly cited by member states. Secondary, adult and vocational education are issues that do not often fall under local responsibility (Georgia, Latvia, Switzerland). Nevertheless, relevant disparities in the scope of primary education responsibility emerge:

- Providing for primary education infrastructure is a local responsibility in some cases (Bulgaria, Estonia, Georgia, France, Italy, Luxembourg, Portugal, Norway, Switzerland, “the former Yugoslav Republic of Macedonia”).
- Maintenance of school premises is also a local responsibility (Bulgaria, Estonia, Georgia, Hungary, Norway, some kinds of schools in England, Switzerland) even in cases where education is not a local responsibility (Spain).

- Recruitment of academic staff is also mentioned (Latvia, Luxembourg, Portugal, Norway, Scotland and, in some cases, England, Switzerland).
- Many countries' local authorities also take care of complementary services: canteens, transport, dormitories (Bulgaria, Estonia, Hungary, Latvia, Lithuania, Portugal, Switzerland, "the former Yugoslav Republic of Macedonia").
- All of these responsibilities (Denmark, Finland).

In Hungary, some educational local responsibilities are transferred to the "district notary", a form of inter-municipal co-operation (i.e. decisions regarding registration).

The definition of educational curricula rarely figures as a local responsibility. Organisational rules and definition of studies are usually a central responsibility ("Linguistic Communities" in Belgium, Iceland, Luxembourg, Scotland, the Slovak Republic, Spain). In Switzerland, cantons define study programmes in co-ordination with municipalities. In Spain, both State and regional authorities share the definition of studies. A higher regional influence is present in those autonomous communities with their own official language. In Scotland, a 2000 Act sets out a framework for the improvement of the performance of schools, and defines five National priorities in education. Under this framework, local authorities and schools are required to publish both schemes including improvement objectives for the schools in their areas and progress reports.

Financing primary education is also mostly carried out by central authorities ("*Communautés linguistiques*" in Belgium, England and Scotland, State authorities in Luxembourg, Portugal, Slovak Republic, "the former Yugoslav Republic of Macedonia"). However, in Bulgaria, Estonia, and Latvia, financing education, transportation and scholarships is a local function. In Finland, financing of education is a local function. The State allocates grants to municipalities. In Iceland, a 1996 reform of local taxation provided for increased incomes, as local authorities became responsible for all the running costs of primary schools. The supervision of educational performance is usually attributed to central authorities (Bulgaria, Czech Republic, Georgia).

Belgium's relationships with local authorities in educational issues are the responsibility of political interlocutors. Both civil servants and political interlocutors deal with education responsibilities, (Bulgaria, Czech Republic, Georgia, Slovenia). In some countries, both State and regional authorities,

depending on the issues, act as local interlocutors (Bulgaria, Czech Republic). Deconcentrated State authorities are in charge of interlocution in Lithuania, France (*préfet*), Norway, Portugal and Slovak Republic.

Consultation and/or advice is one of the interaction tools used by local/central authorities (Bulgaria, Czech Republic, England, Estonia). Regular contacts are held when needed to solve common issues. In Finland, the Finnish Association of Municipalities is a member of the relevant working groups in the preparatory stages of reforms relative to education. Weekly and monthly meetings take place during the reforms.

#### **D) Social Care**

Social care is cited by 80% of the States as a local responsibility, although great differences arise in the scope of that responsibility. Economic disparities, the extent of welfare State facilities or the diversity of social problems explain some of the differences, while some others result from the attribution of social care responsibilities to other governmental tiers (State/regions). The number of inhabitants also has an influence on the range of local social responsibilities in some countries (Hungary, Spain).

If a geographical classification is to be made, it could be said that Nordic and Eastern European countries have vast social care services in the hands of municipalities and an important amount of financial benefits and allowances are provided by local authorities, whereas in the rest of Europe those responsibilities tend to be mainly attributed to other territorial tiers (regions, deconcentrated State bodies, central authorities).

The list of services mentioned as a local responsibility is long:

- Retiree clubs and homes for the elderly (Bulgaria, Denmark, Estonia, Georgia, Iceland, Latvia)
- Shelters and charity kitchens (Bulgaria, Hungary, Latvia, Slovak Republic)
- Orphanages (Bulgaria, Denmark, Georgia, Latvia, Slovak Republic, “the former Yugoslav Republic of Macedonia”)
- Institutions for young people with behavioural problems (Denmark)
- Home help services (Hungary, Denmark, Norway)
- Social housing (Denmark, Ireland, Norway)
- Rehabilitation services for disabled people (Denmark, Latvia)

- Services to drug or alcohol addicts (Denmark, “the former Yugoslav Republic of Macedonia”)
- Organisations and centres providing shelter, inspection of social services and shelter facilities (Italy)
- All of these services (Finland)

In Denmark, municipalities have regulatory responsibilities as regards social services, housing benefits and pensions for the elderly or the disabled.

Municipalities are assigned administrative functions involved in the implementation of social policies at local level. They also participate in the regional planning of social services (Italy).

Providing subsidies, minimum social incomes, loans and other forms of financial support to individuals (children, the disabled, the elderly, the unemployed) are also local responsibilities (Belgium, Denmark, Czech Republic, Hungary, Lithuania, Slovak Republic). These benefits cover subsistence, medical attention, housing, burial expenses and other needs.

In Finland, municipalities have regulatory responsibilities regarding social services. Providing subsidies, for example minimum social support to the unemployed, is also local responsibility.

Municipalities sometimes run the services that evaluate the eligibility of individuals for certain benefits or access to social services according to applicable legislation.

In some cases, local social responsibilities also procure for legal assistance or protection (Czech Republic).

Involvement in nation-wide employment programmes (Bulgaria) or the organisation of employment programmes is sometimes a local responsibility (Georgia).

Inter-municipal co-operation (Hungary) or agreements with social assistance institutions (Latvia, Lithuania) are established in some countries, when municipalities cannot provide for social care on their own.

Prior consultation is particularly useful in social care, as many social policies require background information and data from local authorities to provide for

the correct definition of objectives. Municipalities are the tier where those policies are to be implemented and they can best define the local population's needs (Bulgaria, the Czech Republic, Lithuania, "the former Yugoslav Republic of Macedonia"). It is also in the area of social services that weekly and monthly meetings take place in Finland when discussing reforms. The Finnish Association of Municipalities is a member of the working groups in the preparatory stages of educational reforms.

Definition of social policies is normally a central matter. Another form of interaction are the nation-wide campaigns to raise public awareness on social issues with the aid of local authorities (Bulgaria).

State grants from central authorities are usually intended to maintain local social services (Belgium, Georgia, Finland, Hungary, the Netherlands). In Iceland, an Equalisation Fund depending on the Ministry of Social Affairs supervises payments and provides information to local authorities.

"Ex-post" supervision by central authorities is frequent in the field of social care (Czech Republic, Georgia, Hungary, Scotland, Slovak Republic). Nevertheless, States like Finland refer to changes in legislation, rather than ex-post supervision, as the solution for implementation problems.

Interlocutors of local authorities are both central authorities and specialised bodies (Bulgaria, Hungary, Iceland). De-concentrated bodies also have social responsibilities (Bulgaria Lithuania, the Slovak Republic) or interlocution functions (France). Regional authorities have large competences and lead interactions with local authorities in Spain. In Switzerland, municipalities' difficulties to provide for the increasing social needs of their citizens have had a regionalisation effect, transferring the responsibility for social care to the cantons or sharing it with them.

Contacts between local authorities and central (State/region) authorities are quite frequent. In fact, central authorities consider that interactions occur whenever it is needed, especially where consultation is concerned.

The study of the five main areas of responsibility where a relevant number of member states show concordance illustrates that interactions between local and central authorities tend to be quite similar, regardless of the area.

The preliminary definition by central authorities of legislation, planning or guidelines is usually the first level of interaction between central and local authorities. In most cases, frequent relations are reported for consultation matters.

Formal consultation structures, at a political level, exist in most countries in which local authorities associations can express their opinion mainly when reforms are being discussed. Informal consultation, usually with civil servants, is the most common interaction between local and central authorities.

Financial support (joint action or funding) is also attributed to central authorities in the areas of local responsibility. Local financial autonomy is rare and most local authorities need budgetary central support to provide for their responsibilities.

“Ex post” supervision of the exercise of local responsibilities is usual, sometimes with a mainly legal component (i.e. town planning), but in other cases is for assuring standards of performance (i.e. social care, education).

Central authorities consider that interactions with local authorities are sufficient and take place whenever needed. Usually preparatory or informative relations are held with civil servants, while executive relations take place at a political level.

#### **E) Recapitulation: the wide scope of the areas under local responsibility**

If an effort is made to classify the areas of responsibility under general titles, the following can be representative of the whole range of local responsibilities: general administration, housing and town planning, traffic and transport, environment and public utilities, education, social welfare, public health, culture, leisure and sports, and economic development.

Local authorities across Europe cover most of those general areas of action. Local powers and responsibilities seem to be quite extensive, offering a wide range of services in the interests of their citizens. The general competence clause that acknowledges the power of local authorities to intervene in any matter of local interest is based, in fact, on a rather general scope of local powers and responsibilities. Around 80% of the member states have, to some extent, responsibilities in the areas of housing and town planning, environment

and public utilities (water supply and sewage, waste management, energy and heating supply, etc.), education and social welfare.

Around 66% also have responsibilities for traffic and public transport and culture, leisure and sports. Even if in these main areas, municipal responsibility is not uniform in all countries (i.e. some States' local authorities have competences in all the public utilities area while others just provide for waste management or water supply), the wide range of areas where local authorities have some powers and responsibilities tends to be similar. Responsibilities in these areas might not be comparable in their scope between member states but are still similar in their nature.

Three areas are mentioned by only 33% of the member states. Public health and economic development, due to the nature of action required, are responsibilities that are usually attributed, at minimum, to regional bodies, even in countries with strong local authorities. The explanation for the low level of responses concerning general administration (civil and electoral register, police, fire or civil protection), most probably has to do with its instrumental nature and with the fact that any territorial authority has these sorts of responsibilities, not being characteristic or distinctive of local authorities.

The distinction between local responsibilities that furnish services to individuals and those that provide for infrastructures or utility services (household oriented services) – or between social and economic services – and that figures in several Council of Europe reports<sup>3</sup> can be useful to draw a differentiation among member states. More frequently, local authorities are in charge of social care and education in Nordic and eastern European States, while there is a predominance of services to households in southern and central Europe.

Nevertheless, some recent political trends and territorial reforms might reduce differences between local authorities with a rather social or economic tendency. Regionalisation in some European States – sometimes by means of local authority associations – has had an effect on the delivery of certain

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<sup>3</sup> Appendix to the 2001 monitoring report on the State of local democracy in the Council of Europe member States (CM/Monitor (2001)3 Add. rev., 6 April 2001. Also the report prepared by Prof. Marcou, "Comparative study of local authority powers and responsibilities".

services formerly attributed to municipalities (i.e. sanitary services). European Union regional policy has, in some countries, led to the need to “build up” a regional tier assuming formerly local economic development responsibilities. European Union competition policy has also significantly reduced economic services under the liberalisation wave.

**F) Conclusion: trends in interactions between central and local authorities in the main areas of responsibility**

The main areas of local responsibility examined reveal certain trends concerning the nature and frequency of the relationships between central and local authorities:

- Legislation and setting of criteria is a central (State/regional) responsibility.
- Funding is, in many cases, a central responsibility, although municipalities can raise taxes and there is joint-funding for some issues.
- Supervision of legality is also a central (State/regional) responsibility and there are frequent budgetary compliance controls.
- In shared responsibilities there are sometimes central performance controls.
- Mandatory consultation with municipality associations in relation to local statutes, budgets and other significant issues concerning local responsibilities exists in most States.
- Formal consultation structures (general or sectoral) exist in many member states to facilitate interlocution in those areas.
- De-concentrated central bodies are usually in charge of information and supervision interactions.
- Information and advice to municipalities in the main areas of responsibility is the most frequent form of interaction.
- Local authorities usually feed-back information to central authorities thus delivering performance indicators and other data.
- Information relationships tend to be more informal and to be held by civil servants and individual local authorities.
- Co-operation mechanisms are established especially in areas where the nature of local tasks or the amount of investment needed goes beyond the municipalities’ possibilities.
- Central-local agreements to promote efficiency, improve performance or define funding are starting to be set up in some countries.

#### **IV. GOOD PRACTICES IN THE RELATIONSHIP BETWEEN CENTRAL (STATE/REGION) AND LOCAL AUTHORITIES**

The study of the main areas of responsibility shows that, in any single responsibility, concurrent functions correspond to different authorities, making necessary interactions between them. Some of those relations, due to their nature or intensity, might provide for a better understanding of the counterparts and facilitate a more effective implementation of policies to the benefit of citizens.

Frequent contacts between local authorities and central civil servants, when the nature of the issues requires information, consultation or advice is the interaction member states most commonly point out, both when analysing any single responsibility or when giving a more general answer about good practices on their mutual relationships.

However some other forms of interaction are also considered:

- different methods for a bilateral definition of the financial support needed for the execution of responsibilities;
- the delegation of central responsibilities to local authorities enlarging their sphere of action;
- co-operation agreements defining procedures of interaction, bilateral running of services or financial support.

An analysis of good practices in local/central interactions is made based on the replies from member states. Table 2 summarizes the information following different types of interaction that occur most frequently between central and local authorities.

##### **A) Bilateral consultation structures and mechanisms**

Almost all the member states consider consultation the most frequent form of interaction. Mandatory consultation in local issues – legal reforms, budget definition, local taxes – with Local Authority Associations is established in most cases. Interlocution is usually carried out by Municipalities Associations and central political officials. In many member states, there are formal structures of consultation (conferences, working groups, etc.) that meet periodically (yearly, quarterly, etc.). In decentralised States, those structures

are often regional, although there might be issues that have also to be dealt with the federal tier.

In Belgium, there are formal consultation structures that facilitate co-operation in all the domains of responsibility. These consultations, in spite of their obligatory character, have little impact on decision-making processes, even if sometimes political options that have already been decided are modified.

The Czech Republic has institutionalised regular consultation forums between central and local authorities. Political representatives or professional officials hold regular meetings in order to co-ordinate the exercise of their powers and responsibilities.

Bulgaria provides for parliamentary consultation on draft legislation that might concern local authorities. The National Association of Municipalities represents local authorities in consultation, and also proactively seeks and organises meetings with members of parliament in order to lobby on local matters. In the field of social care, a Social Care Council has been established as a public advisory body in which the National Association of Municipalities participates together with central authorities, trade unions, employer organisations and NGOs. In addition, the Council of Ministers has set up an Interdepartmental Council, with participation of the National Association of Municipalities to exchange, at expert level, specialised information between participants.

Estonia has introduced electronic consultation procedures on draft legislation that is being actively used by the association of local authorities.

In Finland, two different structures favour mutual consultation and negotiation on municipal issues. On one hand, an Advisory Board on Municipal Economy and Administration holds negotiations between the State (Ministry of Interior, Ministry of Finance, Ministry of Social and Health Affairs and Ministry of Education and Culture) and the local authorities represented by the Association of Finnish Local Authorities. On the other hand, a basic service ministerial group has been providing for co-operation at a political level since 2003. Representatives of the Association of Finnish Local and Regional Authorities and the above-mentioned ministries, as well as the Ministry of the Environment and the Ministry of Agriculture, negotiate the funding of municipal services in a dialogue considered successful and useful for ministries to understand local reality and problems.

Iceland's central consultation of local authorities, by means of the Association of Local Authorities, ranges from local government statutes to finances and responsibilities distribution.

In Norway, consultations between the central and local governments have been formalised through a series of four meetings held annually between the ministers and the political leadership of the Norwegian Association of Local and Regional Authorities. The consultations serve as a means of discussing the relation between the local government sector's financial situation and its responsibilities.

Ireland's formal consultation structure is a committee which is overseen by a group which includes the Minister, senior management representatives of the Department of Environment, Heritage and Local Government, the chairperson of the County-City Managers Association along with the Association's executive.

In Italy, all the Regions have a political representative (president or member of the regional executive) who is responsible for the relationships with local authorities. Co-ordination of regional and local governments, co-operation between these two tiers and setting up the legislative and administrative procedures favouring co-operation are some of the functions of this representative who is supported by an administrative structure. Furthermore, the Council of Local Autonomies, a consultative body representing local interests, plays an important role in each region.

In Lithuania, bilateral commission has been set up to co-ordinate interests and positions. Projects regulating local self-government issues must be co-ordinated with the Association of Local Authorities.

In Luxembourg, the *Syndicat des Villes et Communes Luxembourgeoises* acts as a representative of municipalities in those issues of common interest to all local authorities. Nevertheless, the proximity to State authorities, due to the limited territorial dimension of Luxembourg, favours a one-to-one interaction with each municipality, when the nature of the dossier requires bilateral assessment.

The decentralisation process in "the former Yugoslav Republic of Macedonia" is implemented and co-ordinated by a Decentralisation Working Group with the participation of the Association of Local Self-Government. Ten thematic

subgroups, meeting monthly, make sectoral contributions to the process. Co-ordination and institutional strengthening is also the aim of the Trilateral Committee, where the Agency for Civil Servants works together with central and local representatives in decentralisation issues. The activity of these groups is thought to have contributed to the success of the decentralisation process. Numerous strategic and planning documents were developed.

Malta's Local Councils Association represents local authorities in regular general meetings with central authorities as well as in "ad-hoc" committees.

In the Netherlands, a Government Authorities Consultative Meeting is chaired by the Prime Minister twice a year under the Code of Inter-administrative Relationship Provisions.

Portugal considers that consultation of local authorities is an effective way to take into consideration local problems and needs.

In Romania, recent legal reforms of local statutes have been carried out in consultation with local authorities associations as provided in the Local Act.

Slovenia also provides for mandatory consultation of the association of municipalities for draft legislation on local matters.

In Spain, formal consultation between State and regional authorities is conducted by Sectoral Conferences where common responsibilities are co-ordinated. For the time being, local authorities can participate as observers, but pending legal reforms will permit them to become full members of the Conferences. These Sectoral Conferences – depending on their subject – are often considered to be helpful for co-ordinating policies.

Switzerland's cantonal legislation often establishes consultation mechanisms with municipalities on local matters. Moreover, Federal Constitution reform rules that the Confederation must take into account the effects of its activity on municipalities. As a consequence, the Federal Government adopted "Guidelines concerning collaboration between the Confederation, cantons and municipalities" establishing: a municipal consultation right on local issues when the future federal measures would have an impact on municipalities, a municipal right to participate in the work of committees of experts or working groups set up by the Confederation and give an opinion in the framework of consultation procedures. Insofar as their interests are concerned, municipalities

should also be invited to participate in the work of permanent consultative commissions in some fields with sectoral responsibilities.

## **B) Information and advice to local authorities**

Central authorities can also play an important role in advising local authorities. Usually information relationships are more informal and tend to have as interlocutors civil servants and individual municipalities rather than institutionalised contacts at political level.

Decentralised State or regional bodies are often in charge of this type of interlocution, as proximity is very important for the success of this task. In some cases, guidance or information is accompanied by training of local staff, in an attempt to help municipalities improve their performance.

This type of contact occurs wherever necessary, usually without any predetermined frequency because of its informal nature. Electronic communications facilitate the increase of contacts, their frequency and the speed of response.

Several initiatives in member states show new ways to reach local authorities and help them understand issues of local interest.

Hungary reports the existence of several services maintained by central authorities – the Ministry of local government and territorial development – that advise or train local governments and officials. A “Hot Line for Local Governments” is run by ministerial services giving instant and professional help by telephone to local authorities. In addition, regular conferences are held, in the presence of international experts that provide professional training both for local political representatives and civil servants. A European Union Information Service for Local Governments was set up in 2003 to help local governments in the process of integration, providing information on EU matters, support on legal harmonisation issues and information on tender opportunities. The Ministry also publishes documents, guidelines and books of relevance to local governments.

The Italian Ministry of the Interior carries out a permanent service of information and advice in favour of local authorities both directly (by means of the so-called “Window for local authorities”) and by means of its deconcentrated offices at provincial level (“Prefecture-U.T.G.”, i.e. territorial

government's office). In the context of this activity, the Ministry gathers and publishes on its official website the Municipalities' bylaws. Moreover Italy's regional governments have administrative offices that monitor the work of local authorities, provide legal counselling, information and guidance.

The annual Day of Dialogue in Bulgaria is a nation-wide initiative that brings together (in each of the 28 districts) the constituency's members of parliament, mayors, other municipal representatives and citizens, as well as members of central government deconcentrated structures and the media. The main outcome of these meetings is a better understanding of the respective stakeholders' positions.

In Spain, expert courses organised by regional police academies for local police forces are considered to be a good tool for co-ordinating the action and procedures in security matters.

In Switzerland, local representatives are often members of cantonal parliaments. Being part of both governmental tiers facilitates a number of informal contacts and information exchanges thought to be beneficial to local authorities.

Ukraine reports information flows from local authorities towards central authorities in the form of written progress reports or submission of indicators (financial, social, etc.) to evaluate local needs.

Some other States also mention central guidance, information and support to local authorities. The geographical proximity – according to the size of a country – to local authorities favours interactions, whenever an issue or dossier needs it. Institutionalised or general support is more frequent in bigger States, Luxembourg and Switzerland, for instance, indicate that smooth relations are favoured by the proximity and the territorially limited dimension of each governmental tier.

### **C) Co-operation mechanisms**

Co-operation concerning the definition of objectives, management or financial support are also considered good practice by local authorities and central bodies.

In Bulgaria, an agreement was signed on 12 October 2005 between the Council of Ministers and the Association of Municipalities establishing institutionalised co-operation. The agreement provides for lasting co-operation based upon the principles of partnership, transparency and concerted action. It also ensures the provision of effective public services and contributed to the preparation of the municipalities for the accession of Bulgaria to the EU. These co-operation mechanisms involve central authorities and the National Association of Municipalities and include regular meetings or participation in advisory, monitoring and working groups. In addition, inter-municipal co-operation for regional policy issues can lead to the setting up of Partnership Boards (local authorities, private entrepreneurs, citizen associations, etc.) for the implementation of measures, programmes and projects of mutual interest.

France has developed co-operation structures between State and territorial authorities (where local authorities intervene). Firstly, *Contrats de Villes* (CDV) between State and territorial authorities try to prevent social exclusion. The CDV targets action in city quarters with risk of social exclusion due to unemployment, housing or violence problems. Secondly, *Contrats locaux de sécurité* (CLS) are concluded between those authorities that can work together in order to improve security conditions.

In Iceland, a Collaborative Agreement setting the framework for relations between State and local authorities was concluded in February 2006. Its main aim is to establish a formal structure for relations between the State and municipalities and to harmonise public management policies. Under the Agreement, expert committees from both tiers periodically meet to discuss common matters.

In Italy, providing for co-operation is a regional function. There is a political figure in each Region in charge of co-operation and an administrative support structure. In the main policy areas there are usually bodies to provide for co-operation. Furthermore a specific co-operation mechanism, recently set up in Italy, is very similar to the above-mentioned French CLS. More precisely, in order to carry out extraordinary programmes to enhance law enforcement and security services, the Minister of the Interior and, by proxy, the prefects (*prefetti*) may sign agreements with the regional government and the local authorities, providing for the logistic, instrumental and financial contribution of the region and the local authorities.

The district commissaries in Luxembourg exercise advisory, mediation and co-ordination functions between central and local authorities.

In the Slovak Republic, joint municipal offices are created in order to ensure the exercise of responsibilities by an association of municipalities when it is not possible for each municipality on its own. It is considered a good co-ordination mechanism by central authorities to provide services with higher standards.

In Switzerland, shared responsibilities between cantons and municipalities are sometimes conditioned to co-operation duties in order to ensure an effective exercise of those responsibilities. Public Law societies charged with federal duties frequently have representatives of both cantons and municipalities on their administration board.

In the United Kingdom, a “Framework for Partnership” governing relations between central and local government exists (in England since 1997, in Scotland since 2001), although it has no statutory basis. In England, the “Central Local Partnership” meets regularly to consider major issues affecting local government. In Scotland, the objective of the Framework is said to be to ensure regular liaison and discussion. Procedures for consultation and joint work have been established.

In England, there are also mechanisms for mutually defining priorities between central and local authorities. A Local Area Agreement (LAA) is a three-year agreement that pools central government funding around priorities for a local area in certain policy fields as agreed with central government. The local area is represented by the local authority and Local Strategic Partnership (LSP), a single body that brings together different parts of the public sector, as well as the private, business, community and voluntary sectors at a local level, so that initiatives and services support each other and work together.

#### **D) Financial good practices**

Good practices in the financial domain concern bilateral definition of the incomes needed by local authorities to assume their responsibilities and to be capable of delivering services to citizens.

The Bulgarian budget approval process provides for participation of the National Association of Municipalities at different stages. Consultation, both at

a political and expert level, tries to assure a transparent and balanced allocation of funds. If opinions diverge, a bilateral protocol is appended to the draft budget enabling the Council of Ministers to decide on the issue.

Denmark's municipalities have been playing an important role in the formulation of economic policies for 20 years. Budget co-operation is based on a general agreement that, after the establishment of economic and political goals by central authorities (government and Parliament), these economic policies are developed through voluntary agreements with local authorities. These agreements define the rate of growth in public spending, the rates of municipal taxes and other issues related to local expenditure and income. The agreements are concluded between central government and local authorities' associations. They are not binding for each municipality, although it is assumed that the members of the association will honour the agreements.

Estonia's central and local authorities have reached an agreement concerning the way negotiations on budgetary issues must be conducted.

In Finland, co-operation between central and local authorities is carried out to discuss the allocation of municipal resources. There is a cost impact assessment for acts of Parliament in respect of their likely impact on local authorities (municipalities).

In Iceland, there is an agreement on the cost evaluation of law proposals and regulations for municipalities' finances. In August 2004, a pilot project originally started in 2002 was extended for two years in order to evaluate the overall effect on municipal finances of central government draft bills and regulations. Several ministries – Ministry of Social Affairs, Ministry of Education, Science and Culture, Ministry of Environmental Affairs – participate in the assessment, along with the Association of Icelandic Local Authorities.

In Italy, an important role is played by the so-called Unified Conference (Central Government, Regions and Local Authorities) which expresses an opinion in particular, on the budget bill.

In Luxembourg, a Superior Council of Local Finance fosters dialogue between local and central authorities related to municipalities finances.

Malta's Joint Financial Committee is a formal structure that provides for dialogue between central and local authorities on local authority income.

The Netherlands have "ex-ante" supervision procedures in order to grant balanced budgets.

Norway also reports the existence of a system of distribution of local incomes.

Joint financing is considered by Portugal as a successful way to set up projects that contribute to improve the living conditions of local citizens.

Switzerland's financial equalisation system is thought to be quite effective for avoiding great disparities between municipalities and allowing them to assume their legal responsibilities. These cantonal systems require regular contacts between municipalities and cantonal authorities. In Bern, a common body was set up to discuss these matters.

Ukraine's Ministry of Finance audits local budgets and can submit proposals to the Cabinet of Ministers in order to improve the interaction between the state budget and local budgets.

#### **E) Delegation of responsibilities**

In some cases, an extension of local responsibilities through delegation by the central government is reported as a good practice of interaction.

In the Czech Republic, certain municipalities, under a "Joint model of public administration", have extended delegated powers. In such cases, municipalities perform these delegated responsibilities for other municipalities as well. Intense co-ordination mechanisms have been established by means of formal structures of consultation and regular meetings between the different governmental tiers. Furthermore, Government Resolution n° 237 of 17 March 2004 approves a Project called "Better co-ordination of the central administration towards the territorial public administration".

In Spain, a second decentralisation process is demanded by municipalities – *Pacto Local* – aiming at the delegation of responsibilities from autonomous communities (regions) to local authorities.

## **F) Other good practices**

Some experiences, with different aims, are also interesting for showing other ways of mutual exchange and collaboration between central and local authorities.

In Denmark, an independent institute has been established to evaluate the performance of local and regional authorities, to identify good practices and suggest improvements. Central authorities (Ministries), the Association of local and regional councils and a University are represented on the institute's board

The above-mentioned electronic consultation procedure was introduced in Estonia and offers the National Association of Local Authorities a privileged and prior opportunity to comment on draft legislation. It is an interesting and rather simple way for fostering consultation at an early stage.

The Icelandic Pilot Local Authorities Act was passed in 1994. Local authorities, on a trial basis that could pave the way for future reforms, may experiment with new responsibilities and new forms of managing or financing them. Local authorities are exempt from specific provisions of laws and regulations, and can try new methods of operation or financing within those pilot fields (social housing, employment, general construction, health care, services for the elderly and the disabled). The experience has been successful and several service agreements have been concluded between the State and municipalities, mainly for health care and services to the disabled and the elderly.

Some Italian regions report training of local staff as a regional responsibility. Training of staff can be quite beneficial for local authorities, as they are not usually capable of granting training to their own staff and regional support might improve the delivery of local services.

In the Netherlands, a Code of Inter-administrative Relationships has established rules for interaction between central and local authorities. The Code not only governs the functions of both counterparts, but also includes provisions on expenditure and inter-administrative scrutiny. The parties meet twice a year in order to examine matters of common interest.

Portugal considers Contract-programmes (*Contrato programma*) a useful tool for financial and technical co-operation. Projects in several areas (environment and public sanitation, infrastructure, transportation, education and civil protection) have been possible thank to these collaborative agreements.

In Switzerland, interaction between cantons and municipalities has a new mechanism to exercise certain responsibilities: “service contracts” (*contrats de prestation*). Although not very common at the moment, these agreements could play an important role in the future with regard to the revision of the financial equalisation system.

**Table 2: Good practices in central/local relationships**

	<b>Bilateral Consultation Structures</b>	<b>Information, Advice</b>	<b>Co-operation mechanisms</b>	<b>Financial good practices</b>	<b>Delegation of responsibilities</b>	<b>Other good practices</b>
<b>Belgium</b>	Consultation councils in all the fields of responsibility	Informal contacts that favour implementation	-	-	-	-
<b>Bulgaria</b>	Parliamentary consultation on draft legislation  Social Care Council  Interdepartmental Council for the exchange of specialised information at expert level on municipal issues	Annual Dialogue Day	Agreement signed 12 Oct. 2005 between the Council of Ministers and Association of Municipalities seeking institutionalised co-operation  Inter-municipal co-operation for regional policy issues	Consultation on draft budget provisions and taxation	-	-

	<b>Bilateral Consultation Structures</b>	<b>Information, Advice</b>	<b>Co-operation mechanisms</b>	<b>Financial good practices</b>	<b>Delegation of responsibilities</b>	<b>Other good practices</b>
<b>Czech Republic</b>	Regular meetings between central and local authorities at political and professional level	Methodological assistance  Training by the Institute for Local Administration of the Ministry of Interior	Inter-municipal co-operation  So-called cohesion regions: conjunction of 2 or 3 administrative regions for the purpose of achieving NUTS II parameters	Act No.420/2004 Coll. On supervision of resources management of territorial self-governing units and voluntary Associations of Municipalities	Joint model of public administration provides for extended delegated powers to certain municipalities  2004 Project "Better co-ordination of the central administration towards the territorial public administration"	Code of ethics for public servants
<b>Denmark</b>	Prior consultation of local statutes in the association of municipalities			Budget co-operation to define with voluntary agreements the main issues		Institute for evaluation of local performance  Voluntary

	<b>Bilateral Consultation Structures</b>	<b>Information, Advice</b>	<b>Co-operation mechanisms</b>	<b>Financial good practices</b>	<b>Delegation of responsibilities</b>	<b>Other good practices</b>
				that concern local budgets		participation process in definition of national parks
<b>Estonia</b>	-	Informal consultation and meetings  Electronic information exchange		Agreement on procedure for budgetary negotiation		Association of Local Authorities electronic consultation on draft legislation
<b>Finland</b>	Advisory Board on municipal economy and administration  Basic service ministerial group			Negotiation procedure to evaluate municipal incomes and to assess the costs of legal reforms  Equalisation		No earmarked State grants

	<b>Bilateral Consultation Structures</b>	<b>Information, Advice</b>	<b>Co-operation mechanisms</b>	<b>Financial good practices</b>	<b>Delegation of responsibilities</b>	<b>Other good practices</b>
<b>France</b>	-	-	<i>Contrats de Villes (CDV)</i> between State and territorial authorities to prevent social exclusion  <i>Contrats locaux de sécurité (CLS)</i> to improve security conditions	-	-	-
<b>Georgia</b>	-	-	-	-	-	-
<b>Germany</b>	-	-	-	-	-	-
<b>Hungary</b>	Local government statutes  Council of Social Policy, Council of Territorial	Hot line for Local Governments  Conferences providing training	Co-operators in the municipalities' tasks	-	-	-

	<b>Bilateral Consultation Structures</b>	<b>Information, Advice</b>	<b>Co-operation mechanisms</b>	<b>Financial good practices</b>	<b>Delegation of responsibilities</b>	<b>Other good practices</b>
	<p>Development, National Development Agency</p> <p>Government/ Self-governments Reconciliation Forum</p>	<p>Ministry of Local Government and Territorial Development</p> <p>Edition of specialised publications</p>				
<b>Iceland</b>	<p>The Association of Local authorities is consulted on local government statutes, finances and responsibilities distribution</p>		<p>Collaborative agreement (February 2006) setting the framework for relations between State and local authorities</p>	<p>Agreement on cost evaluation of law proposals and regulations on municipality finances</p>		<p>Pilot Local Authorities Act (1994) enables local authorities to extend their responsibilities and experiment new ways of financing or managing</p>

	<b>Bilateral Consultation Structures</b>	<b>Information, Advice</b>	<b>Co-operation mechanisms</b>	<b>Financial good practices</b>	<b>Delegation of responsibilities</b>	<b>Other good practices</b>
<b>Italy</b>	<p>Regional consultation and setting policies criteria</p> <p>Council of Local Autonomies, consultative body representing local interests in each region</p> <p>Conference Government-Local Authorities</p> <p>Unified Conference (State-Regions and local authorities)</p>	<p>Regional technical committee to provide technical and legal guidance (Abruzzo). This committee operates in the field of local administrative policies.</p>	<p>Co-ordination body in social policies (Emilia-Romagna)</p> <p>Planning conference (Calabria) in urban planning to meet for training, updating and negotiating</p>	<p>Unified Conference (Government-Regions and local authorities), which expresses opinion on the budget bill</p>		<p>Training of staff (Abruzzo)</p>

	<b>Bilateral Consultation Structures</b>	<b>Information, Advice</b>	<b>Co-operation mechanisms</b>	<b>Financial good practices</b>	<b>Delegation of responsibilities</b>	<b>Other good practices</b>
<b>Ireland</b>	Committee with central and local representation	Frequent departmental contacts with associations representing local authorities	-	-	-	-
<b>Latvia</b>	-	-	-	-	-	-
<b>Lithuania</b>	Draft legislation, regulating local self-government issues must be co-ordinated with Association of Local Authorities.  Bilateral commission: Central Government /Association of Local Authorities	Information and advice	-	-	-	-

	<b>Bilateral Consultation Structures</b>	<b>Information, Advice</b>	<b>Co-operation mechanisms</b>	<b>Financial good practices</b>	<b>Delegation of responsibilities</b>	<b>Other good practices</b>
<b>Luxembourg</b>	<i>Syndicat des Villes et Communes Luxembourgeoises</i> acts as representative of the municipalities position		<p>Bilateral meetings can be held between the State and single municipalities to consider local issues because of the proximity of the territorial dimension</p> <p>Advice, mediation and co-ordination functions of the district commissaries</p>	Superior Council of local finances: State/local structure to discuss local finances	-	-
<b>Malta</b>	Regular meetings between central authorities and the Local Councils Association	Guidance and support provided by the Department of Local		Joint financial committee	-	-

	<b>Bilateral Consultation Structures</b>	<b>Information, Advice</b>	<b>Co-operation mechanisms</b>	<b>Financial good practices</b>	<b>Delegation of responsibilities</b>	<b>Other good practices</b>
	“Ad hoc” committees	Government				
<b>Netherlands</b>	Government Authorities Consultative Meeting					Code of Inter-administrative relationships
<b>Norway</b>				Distribution system of local incomes		
<b>Portugal</b>	Consultation on local statutes	Mutual information exchange		Joint financing  Financial equalisation to avoid significant disparities among municipalities		Contract-programmes ( <i>Contrato programma</i> )
<b>Romania</b>	Consultation on local statutes	Mutual information	-	-	-	-

	<b>Bilateral Consultation Structures</b>	<b>Information, Advice</b>	<b>Co-operation mechanisms</b>	<b>Financial good practices</b>	<b>Delegation of responsibilities</b>	<b>Other good practices</b>
		exchange and periodical meetings				
<b>Russian Federation</b>	Consultation			Joint funding	-	-
<b>Slovak Republic</b>	Consultation on local matters	Expert assistance, information	Joint municipal offices to put in place services		-	-
<b>Slovenia</b>	Consultation on local statutes				-	-
<b>Spain</b>	Sectoral Conferences where State and regional authorities are represented and local authorities can assist	Expert guidance and support	Inter-administrative Agreements		-	-
<b>Switzerland</b>	Cantonal consultation on	Frequent contacts, if	Cantonal legislation often	Financial equalisation		Service agreements in

	<b>Bilateral Consultation Structures</b>	<b>Information, Advice</b>	<b>Co-operation mechanisms</b>	<b>Financial good practices</b>	<b>Delegation of responsibilities</b>	<b>Other good practices</b>
	<p>local matters</p> <p>2000 Federal Constitution reform and Guidelines on collaboration between the Confederation, cantons and municipalities establishes consultation right on local issues</p>	<p>the nature of the dossier requires it</p> <p>Local representatives are often members of the canton's parliaments</p> <p>Participation on cantonal working groups</p>	<p>provides for collaboration duties between cantons and municipalities on common responsibilities</p>	<p>system in order to avoid great disparities between municipalities</p>		<p>order to exercise certain responsibilities is a new mechanism of interaction between cantons and municipalities</p>
<b>“The former Yugoslav Republic of Macedonia”</b>	<p>Decentralisation Working Group with 10 thematic subgroups</p> <p>Trilateral Committee:</p>	-	-	-	-	-

	<b>Bilateral Consultation Structures</b>	<b>Information, Advice</b>	<b>Co-operation mechanisms</b>	<b>Financial good practices</b>	<b>Delegation of responsibilities</b>	<b>Other good practices</b>
	Ministry of Local Self-Government, Agency for Civil Servants and Association of Local Authorities					
<b>Turkey</b>	-	-	-	-	-	-
<b>Ukraine</b>	Consultation, information  Submission by local authorities of reports on on progress and indicators			Joint activity funding	-	-
<b>United Kingdom</b>	Scottish consultation of local matters	Meetings	Framework for partnership.		-	-

## **V. CONCLUSIONS**

### **A) Communication: the most frequent form of interaction**

Communication between the different governmental tiers is the interaction most frequently cited by member states. Mutual consultation, guidance or information contacts between local authorities and civil servants, when required according to the nature of issues, is the relationship member states most commonly point out both when analysing any single responsibility, or when giving a more general answer about good practices concerning their interactions.

Communication extends to the definition of policies and consultation of statutes; contacts during the implementation of policies for advice; monitoring of the performance of policies and settlement of disputes. Frequent contacts favour a better definition of central statutes and policies on local matters and their subsequent implementation, as well as an adequate exercise of local responsibilities.

Mandatory consultation of Local Authorities Associations on local statutes, local issues and budget is the most frequent formal relation reported, while information or consultation on demand by any municipality is considered the most common informal interaction.

In some cases, guidance or information is accompanied by local staff training in an attempt to help municipalities improve their performance.

Electronic communication facilitates both the increase and frequency of contacts and the speed of response.

### **B) Increasing bilateral co-operation mechanisms**

In addition, co-operation structures and agreements are considered beneficial for the accomplishment of the responsibilities entrusted by law to each governmental tier. Given the fact that most responsibilities are shared and the different tiers have a series of functions to perform, co-operation is necessary at various stages.

There are examples of co-operation in planning definition. There are also cases of shared management of services by different governmental tiers. Several

States mention joint-funding as a frequent practice. Joint-funding is accompanied by a prior co-ordinated adoption of rules or decisions about the services that are going to be funded.

### **C) Interactions to grant financial sufficiency and negotiated definition of local incomes**

Other forms of interaction frequently cited by member states have to do with mechanisms defining balanced financial support, so that local authorities have sufficient means to exercise the tasks under their responsibility.

In many cases – particularly in Nordic States – there are mechanisms to negotiate local budgets with central (State/regional) authorities. These procedures also often deal with the definition of local tax rates, the limits or rates of expenditure, or the formulation of other agreements in order to grant financial sufficiency and an adequate co-ordination of budgets. These interactions are held at a political level – usually Ministers or senior officers – and have the associations of municipalities as local interlocutors.

Legal attribution of new responsibilities, as well as the delegation of central (State/regional) responsibilities to local authorities, might improve the ability of the municipality to ensure the needs of its citizens and it is a way of complying with the subsidiarity principle. However, new or delegated responsibilities should be accompanied by an increase in the financial resources required to exercise those new responsibilities. Thus, local authorities point out a certain tendency to be given new responsibilities that will have to be financed by local authorities and where they did not participate in the definition process. Some of the States report good practices in this area as new responsibilities go hand in hand with negotiations to determine budgetary needs.

### **D) Different models of institutional arrangements: the relation between formal and informal interactions**

The data provided by some member states show a certain predominance of informal interactions, while in others, formalised relationships are more frequent. Nevertheless it can be said that, in all cases, informal consultation and exchange of information are the most widespread methods of interaction. Most of the states also report the existence of formal bilateral consultation structures and procedures that provide for consultation, usually with local

authority associations, on matters of local interest (statutes, budgets, etc.). In fact, a “mixed model”, combining (informal) information and consultation exchanges and (formal) bilateral structures, is the one that most countries have reported (Lithuania, the Netherlands, Portugal, Romania, Russian Federation, Slovak Republic, Slovenia, Spain).

Some other states show a predominance of informal institutional arrangements with “ad hoc” interactions between central and local authorities, not formalised in institutional structures, agreements or procedures. This seems in particular to be the case for the United Kingdom and Ireland where quite intense interactions are reported which are seldom ruled by legal provisions or institutionalised methods.

The countries that have reported a more extensive variety of examples of good practices in interaction between central and local authorities usually tend to be the ones that have institutionalised those relationships. Bulgaria, the Czech Republic, Denmark, Finland, Hungary, Iceland, Italy and Luxembourg have established formal structures or procedures in order to favour relationships between central and local authorities in most of the areas studied (bilateral consultation, co-operation mechanisms, financial good practices, delegation of responsibilities).

#### **E) The Associations of Municipalities as privileged interlocutors in central/local relationships**

Certain types of interaction are better carried out by means of representative bodies that can unify the position of municipalities and stand for the interests of local authorities with stronger support than is possible in one-to-one relationships. The existence of representative structures of municipalities (i.e. associations) is beneficial both for central and local authorities. The former can carry out consultation and negotiations in a more ordered manner, and can rely on the fact that the results of the compromises that are reached can be assumed for a significant number of local authorities, while the latter – especially the smaller local authorities – have a chance to participate in the decision-making process and might influence its final outcome in a way that would not be possible for each one on its own.

In fact, most member states mention the Associations of Municipalities as the main interlocutor in the majority of interactions held between the central and local tiers. This is particularly the case when dealing with issues such as

legislative reforms and budgetary negotiations. In many States, local statutes and incomes undergo prior mandatory consultation with municipal representative bodies.

However, there are institutional and size constraints that can influence the nature and level of interactions and the need to have representative bodies. States with smaller populations or municipalities with more inhabitants can have more intense interactions between the different governmental tiers and these relationships can be more informal, whereas in larger States, with a greater number of municipalities or a reduced population in each municipality, maintaining informal interactions with municipalities might be too much of a burden and the intervention of representative Associations becomes necessary.

Only big municipalities – capital cities, urban agglomerations – are able to influence individually decision-making processes. In fact, big municipalities often have a differentiated “status” in terms of powers and responsibilities and budgetary provisions.

#### **F) Central (State/regional) interlocutors**

In most cases, consultative or informative relationships are held at a technical rather than a political level, especially if the relationships are directly carried out by a municipality on its own and not by the means of local authority associations. Informal contacts with civil servants are useful for improving the implementation of policies, as most local responsibilities are shared, to some extent, with central authorities.

On the other hand, consultation at a political level is more often linked to formal structures of relationship, where municipalities participate through their representation by associations or municipal co-operation units, and is limited to certain issues subject to mandatory consultation (budget, local statutes, etc.).

If a generalisation is to be made, informal contacts usually tend to be held individually by each local authority, having as interlocutors civil servants, and concerning issues of policy implementation. On the contrary, formal consultation often concerns the definition of policies, statutes and local incomes, and the interlocutors tend to be Associations of Municipalities and central political authorities.

Formal structures of interaction (conferences, committees, working groups, etc.) are quite usual for general relationships – legal reforms, budgetary negotiations – but there are also formal structures of interaction in certain sectoral domains. Those formal structures of interaction tend to meet regularly for ordinary information/consultation purposes and usually the frequency of contacts is intensified when important reforms are being negotiated.

Given their greater proximity, deconcentrated State authorities at regional or county level, as well as regional authorities, can interact more easily at a political level with municipalities and their mayors. These deconcentrated or decentralised bodies are usually in charge of information and guidance tasks.

Many States report the existence of an intermediate tier between central and local authorities – this might be a regional authority or just a deconcentrated State body – that performs information and supervisory functions, particularly in certain fields (environment, social care, etc.).

Finally, most States express satisfaction with interactions between central and local authorities, at least from a “central” point of view. Interactions appear to be running smoothly and occur whenever local authorities need them.