

Organisation of local authority services in the former centres and their vicinity following the administrative reform

What are the main observations regarding changes in the organisation of services and the involvement of residents?

Summary

Local authorities have optimised the organisation of services following the administrative reform, but the National Audit Office did not find that the availability of essential services in regions further away from the centre has suffered as a result. The risk that the activities of local authorities would be concentrated in larger centres due to the reform has not materialised according to the assessment of the current situation. Communities are, at times, critical of the changes, but the reason is not the loss of services but the changed practice in providing them. Many services are no longer offered the way they used to be.

As expected, the changes have been impeded by merger agreements, the expiry of which will open the door to major restructuring. Good solutions can only come about in partnership with communities. However, the involvement of communities has so far tended to be formal in many places – there is little substantive dialogue.

The National Audit Office did not assess how the objectives of the administrative reform have been achieved. At the same time, the areas analysed have already shown that the reform has also led to solutions that may not be sustainable in terms of sound organisation of services as dependence on neighbours remains prevalent in the provision of essential services. State intervention could have

Regions further away from the centre in this report: the National Audit Office defined regions in accordance with the area-based division of the Estonian territory used by Statistics Estonia in presenting regional statistics. Estonia is divided into 839 areas.

Not all the so-called farthest areas were under consideration, just those where it takes at least a 25 km longer drive to reach the centre of the current local authority than it took in the local authority before the reform. These are areas close to the former centres.

The basis for the consideration was that the risk of reform-driven changes is higher there than in areas that were far away from the centres already before the reform.

In total, there are 83 areas that meet the aforementioned conditions. In this overview, 56 of these areas were analysed.

prevented this. The state could also have guided the local authorities more in drafting the merger agreements because the clarity of the agreements is lacking.

Main observations:

- Operative provision of services is not dependent on the so-called location of the official's desk. In merger agreements, much attention was given to the establishment of local service centres in the regions and the number of jobs there, but the needs were overestimated and jobs have since been reduced in service centres. More attention should have been given and should continue to be given to the development of needs-based services as well as e-services.
- It is more important to maintain services than to preserve institutions. The network of institutions (libraries, schools, etc.) in the studied areas have generally remained the same, even if the

institutions have been legally merged or consolidated under a single management. Many merger agreements, however, put the emphasis on the preservation of institutions themselves, rather than on maintaining the services offered by them. This choice has led to unforeseen obstacles, and no changes have been made to bring the management into order.

- It is generally not necessary to travel to the centres to receive services. E-services combined with on-site services should satisfy the needs. At the same time, access to centres did not seem to be an issue for the residents in the areas observed.
- The time spent on administration has increased. In some ways, it is inevitable. The increase in time expenditure is felt in communities for example when applying for grants for society activities, resolving issues related to the maintenance of public space, proceedings of permits related to construction activities. The representatives of local authorities are also not denying this. Processes are more standardised and fewer exceptions are made in the new local authority to ensure quality.
- The investment plans of merger agreements were unrealistic and unclear. The investment plan appended to the agreement was part of the pledge to get communities to agree to join. However, the volume of the plans was inflated, and new local authorities have not been able to implement the plan. Merger agreements have mostly not been amended to adjust the plans, nor has the failure to make investments been discussed in more detail. For future potential mergers, the Ministry of Finance should specify the rules related to the plans.

For your information

The increase of local authorities has led to a significant decrease in the number of council members in local authorities, which means that there are also fewer representatives of different communities in councils.

The challenge for new local authorities is how to compensate for this with involvement to ensure that communities feel involved in decision-making.

For example, an option is to form regional units – rural municipality district or city district – through representative bodies or to involve more local representatives in council committees. Social media or other modern applications can be used to identify the attitudes of local residents and to exchange information.

- Involving communities requires more effort. The National Audit Office found that the studied regions are more satisfied with involvement in whatever way where the intention to involve regions has been substantial and efforts have been made to establish a suitable system. There is no point in establishing regional representative bodies (e.g. rural municipality district council, community council) if neither party has any motivation to have a substantive dialogue and involvement is merely ostensible. The possibility of a substantive dialogue would be greater if councils were given real power to decide on something (e.g. in the provision of society grants or management of local infrastructure).
- There are regions where merger is unlikely to bring significant benefits to better serving the residents. This is illustrated, for example, by how the reform has affected the sharing of school management costs of local authorities, i.e. the payment of the so-called poll tax per student. The significant decrease in settling of accounts indicates that a unit based on an area of function (e.g. Saaremaa) was established. However, there are regions where settling of accounts with neighbours has even increased (Rõuge, Toila), meaning that the local authority is still dependent on neighbours in receiving essential services. One of the characteristics of such regions is the lack of a larger central settlement, and dissatisfaction with the results of the reform is also greater there. The state should have intervened more in the merger process there.

Background

In the autumn of 2021, it will be four years since the administrative-organisational changes were carried out in 2017, the aim of which was to significantly reduce the number of local authorities, meaning that local authorities have been operating within the new administrative boundaries for one period of council activities. In this overview, the National Audit Office has presented the first interim summaries of how the organisation of services has been changed following the reform, whether

essential services are available and whether communities are involved in the decision-making of the new local authorities. To this end, the National Audit Office interviewed the representatives of the regions and further analysed the experience of ten local authorities.