

NUI Galway researchers use local council finances website to highlight big differences in spending and income between the two Galway councils

Researchers Gerard Turley and Stephen McNena at the Whitaker Institute in NUI Galway have developed an online platform that allows taxpayers see how local councils raise and spend their money. Initially designed for *PublicPolicy.ie* with funding from Atlantic Philanthropies, the www.localauthorityfinances.com website shows local council income and spending, disaggregated by revenue sources and service divisions. Aimed at increasing public awareness of how taxpayers' money is spent locally, the interactive web application can be used to readily access and more easily understand individual council income and spending budgets, but also cross-council comparisons with a view to identifying best and worst performing councils. Using local authority budget data from the website, our summary table shows some key differences between the two Galway councils.



In 2019 when the national average local council budgeted spend per person is €1,084, spending per person by Galway City Council is €1,117 as against €671 by Galway County Council. Among other explanations, differences in local authority spending can be accounted for by variations in expenditure needs, which often reflect differences in the socio-economic and demographic profile of an area and its population. This is reflected in the reported differences in the spending per person on services such as housing, roads and recreation & amenities, with Galway City Council spending more per person on housing and recreation & amenities but less per person on roads. As for over time, whereas Galway City Council saw an increase of nine per cent in its day-to-day expenditure since the last local elections in 2014, Galway County Council witnessed a decrease in spending over the same five-year period, of four per cent. During the preceding years of austerity when all local authorities experienced reductions in current (and even more so in capital) spending, Galway County Council's reduction in that period, measured in percentage terms, was the largest.

These differences are also reflected in the funding sources for the two councils, where the tax base and the level of economic and business activity are higher in the more urban, densely populated Galway City Council. As the table shows, the shares of revenue income in commercial rates and in central government grants differ between the two councils, with Galway County Council raising only 23 per cent of its revenue income from commercial rates (as against a national figure of 30 per cent and 42 per cent for Galway City Council) but depends for 38 per cent (compared to 25 per cent for Galway City Council) of its operating income on central government grants, with €2.8m in the form of an equalisation grant aimed at reducing local authority fiscal disparities.

With local council budgets a good reflection of the profile, circumstances and choices of an area and its electorate, citizens can see the income and spending differences between the two Galway councils. Given the national Government's plan to amalgamate the two councils into one large unified authority, the local elections are a good opportunity to remind voters of the differences between the two councils and their constituents, and why a merger in this case may not be the best solution, not only from a political and democratic viewpoint but also from an economic and financial perspective. After all, the argument in favour of decentralisation is to bring government closer to the people so that citizens get what they want given their differences in preferences and willingness to pay, rather than the uniformity than comes with central government provision.

Commenting on the project, Dr. Gerard Turley remarked that "the online platform is a fantastic resource that can be used by local and national policymakers, researchers, political parties, but most importantly taxpayers and citizens. It has many purposes, including increasing civic engagement and participation, but also improving accountability and transparency". For more information on this research and the www.localauthorityfinances.com website contact NUI Galway economics lecturers Gerard Turley or Stephen McNena at gerard.turley@nuigalway.ie or stephen.mcnena@nuigalway.ie

A Tale of Two Councils

	 City Council	 County Council <small>Comhairle Chontae na Gaillimhe Galway County Council</small>
Population, 2016 census	78,668	179,390
Expenditure, operating (€m)	€87.9m	€120.4m
Expenditure per person	€1,117	€671
% change in expenditure, 2014-19	+9	-4
Housing % share of total / € spend per person	31% / €345 per person	13% / €86 per person
Roads % share of total / € spend per person	16% / €174 per person	33% / €220 per person
Recreation & amenities % share of total / € spend per person	20% / €223 per person	7% / €49 per person
Central Government Grants % share of total revenue income	25%	38%
- of which, equalisation grant (€m)	0	€2.8m
Commercial rates % share of total revenue income	42%	23%

Source: www.localauthorityfinances.com; Galway City Council Adopted Budget 2019; Galway County Council Adopted Budget 2019.