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**6th General Report on implementation
of the European Charter of Local Self-Government
(Articles 4.6, 5, 9.6 and 10)
"Consultation of Local Authorities"**

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EXPLANATORY MEMORANDUM

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I. PRELIMINARY OBSERVATIONS

1. The Institutional Committee of the Chamber of Local Authorities of the Congress of Local and Regional Authorities of Europe is responsible for monitoring implementation of the European Charter of Local Self-Government (hereafter referred to as “the Charter”).

2. It performs this task with the help of the Group of Independent Experts on the Charter, by making proposals with regard to draft reports and recommendations on implementation of the Charter in those Council of Europe member countries that have ratified it.

3. This document is a draft of the 6th General Report on the European Charter of Local Self-Government, the subject of which is consultation of local authorities.

4. Consultation of local authorities throughout the political and legislative process on all matters that concern them is a right which the Charter recognises as a means of preserving local authorities' independence of central and regional authorities. Because of the importance of this prior-consultation requirement in applying the principle of local self-government, the Congress of Local and Regional Authorities of Europe decided to evaluate the procedures and mechanisms which govern local authorities' exercise of the right.

5. The title "Consultation of Local Authorities" was therefore chosen for the 6th General Report on the European Charter of Local Self-Government, for which the Chamber of Local Authorities Institutional Committee approved a questionnaire at its meeting on 13 November 2002 . Thirty-two replies were received until 30 March 2004, from Germany, Armenia, Austria, Azerbaijan, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Georgia, Greece, Hungary, Iceland, Italy, Latvia, Luxembourg, “the former Yugoslav Republic of Macedonia”, Malta, Norway, the Netherlands, Portugal, the Slovak Republic, Spain, Romania, the United Kingdom, Slovenia, Sweden, Turkey and Ukraine.

The rapporteur would like to thank Professor Antonio Rebordao Montalvo for his valuable help and advise in preparing this report.

6. The draft report follows the structure of the questionnaire; its six sections analyse the answers to the six groups of questions:

- consultation and legislation;
- consultation and responsibilities;
- consultation and territorial organisation;
- consultation and finances;
- right of association – institutions for dialogue and defence of common interests;
- evaluation of the consultation and/or negotiation procedure.

7. At the start of each section the relevant provision of the Charter is given.

8. A final section contains conclusions.

II. CONSULTATION AND LEGISLATION

"Local authorities shall be consulted, insofar as possible, in due time and in an appropriate way in the planning and decision-making processes for all matters which concern them directly"

(Article 4.6 of the Charter)

II.1. Right of consultation

9. The meaning of the term "consultation", as used in the Charter, should first be defined. Under several of the Charter's provisions on this, the manner and timing of consultation must be such that local authorities have a genuine opportunity to influence decision-making. This means that consultation should take place – in principle and except in emergencies – ahead of the decision, and must also take the forms and be conducted through the channels most appropriate for ensuring participation by the local authorities affected in the different stages of the relevant processes.

10. Articles 4.6 and 5 of the Charter, by stipulating that "prior" consultation is to take place "*in due time*", indicate that consultation should take place at an appropriate point. Articles 4.6, 5 and 9.6, by providing that local authorities are to be consulted "*in an appropriate way*" (in the planning and decision-making processes), "*in an appropriate manner*" (on the way in which redistributed resources are to be allocated to them), and "*possibly by means of a referendum*" (for any changes to local authority boundaries), indicate that the most appropriate forms and channels of consultation should be used.

11. In conclusion, consultation of local authorities has to be a required part of policy-making and administrative processes, enabling the wishes of local authorities to be known in good time and properly taken into account in the decisions of central and regional authorities.

12. Except in the cases of Azerbaijan and Georgia which need special attention, it can be said that in all countries local authorities are consulted, to a greater or lesser degree, during the legislative process on matters that affect them.

13. Comparative analysis shows that while in some countries consultation of local authorities is a general principle enshrined in law, in most countries it is based on customary practice alone.

14. In Austria, Croatia¹, Germany, Hungary, "the former Yugoslav Republic of Macedonia", Italy, the Netherlands, Portugal, Slovenia and Spain² a legal principle exists obliging legislative bodies to consult local authorities before decisions are made which could affect matters that concern them.

15. However, in Armenia, Azerbaijan, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Greece, Iceland, Latvia, Luxembourg, Malta, Norway, Romania, the Slovak Republic, Sweden, Turkey, Ukraine and the United Kingdom no particular law exists that makes it a general requirement to consult local authorities at the different legislative stages.

16. Consultation of local authorities is carried out by the government ministers responsible for the matters concerned.

¹ Only in the case of changes to local authority boundaries and approval of local authorities' development plans.

² For the drafting and approval of regulations, but not parliamentary legislation.

17. With regard to parliamentary legislation, local authorities are consulted formally or informally on government bills. In “the former Yugoslav Republic of Macedonia” the government, when submitting bills to parliament, must also provide reports on the content of agreements concluded with local authorities. In Sweden, when draft bills are submitted to parliament, parliament must account for the consultation carried out. In Hungary, parliament must be informed of the views of national associations of local authorities before laws are enacted.

18. Consultation of local authorities can also take place within parliament. For example, in Bulgaria, representatives of municipal councils take part in parliamentary committee meetings and give their views in debates on draft legislation. Similarly, in Finland, in Italy and Portugal, local authorities are consulted during parliamentary debates on enactment of laws affecting them.

II.2. Methods of consultation

19. On the basis of the experts' replies, national associations of local authorities exist in all countries apart from Azerbaijan.

20. In the great majority of cases, local authorities are consulted through national associations. In Germany and Austria local-authority associations also exist at *Land* level, and it is therefore usual for them to be consulted at the relevant level – *Land* or federal.

21. In Bulgaria, Iceland and Portugal, regional associations of local authorities take part in drawing up regional development plans.

22. Depending on the scope of the measure envisaged, and how immediately local authorities are affected, all local authorities may be consulted direct, or only those particularly affected. This is the case in Austria, for example, Azerbaijan (where there are no national associations of local authorities), Denmark, Finland, Luxembourg, Latvia, Portugal, the Slovak Republic, Slovenia, Sweden, Turkey and the United Kingdom.

23. In several countries, specialist associations of local authorities are consulted on legislation relevant to their particular interests (Finland and Norway).

24. It should also be pointed out that in several countries (Austria, the Czech Republic, Finland, France, the Slovak Republic) many elected local officials are also members of parliament. This political multi-mandate-holding is an example of a form of political influence and information exchange that lies somewhere between "consultation" and "lobbying", and has a major impact on decisions concerning local authorities.

25. With regard to upper houses of parliament in the consultation of local authorities, in countries where an upper house exists it does not appear to play an important role.

26. Most countries (Armenia, Azerbaijan, Bulgaria, Croatia, Cyprus, Denmark, Finland, Georgia, Greece, Hungary, Iceland, Italy, Latvia, Luxembourg, “the former Yugoslav Republic of Macedonia”, Malta, Norway, Portugal, the Slovak Republic, Slovenia, Sweden, Turkey and Ukraine) have a single-chamber parliament. In Austria, the Czech Republic, France, Germany, the Netherlands, Romania, Spain and the United Kingdom there is an upper house. However, in the majority of cases, this upper house (Austrian *Bundesrat*, Czech, Romanian and Spanish Senate,

German *Bundesrat*, Netherlands First Chamber and United Kingdom House of Lords) does not play a specific role in consultation of local authorities.

27. Only in Germany and France does the upper house (*Bundesrat* and *Sénat*, respectively) have a certain influence and some role in consulting the local authorities.

28. In Germany, the *Bundesrat* is responsible for consulting the *Länder*, and local authorities seek to influence the *Land* position through the relevant *Land* ministries. In France, draft legislation mainly concerning the organisation of local and regional authorities must be referred in the first instance to the *Sénat* and the *Grand Conseil des Communes de France* (Council of French Municipalities).

III. CONSULTATION AND RESPONSIBILITIES

" Local authorities shall be consulted, insofar as possible, in due time and in an appropriate way in the planning and decision-making processes for all matters which concern them directly "
(Article 4.6 of the Charter)

III.1. Right to consultation

29. In most countries, local authorities must be consulted during the decision-making process on all matters directly affecting their interests, in particular economic affairs, spatial planning, the environment, European affairs, local development, education and culture.

30. However, the right to consultation does not exist in Georgia, and is still very rare in Armenia.

31. In Croatia the local authorities are consulted only on spatial-planning matters, and those in Turkey only on municipal revenues.

32. Consultation is a general legal requirement in Austria (in some *Länder*), Bulgaria, Denmark, Greece, Italy, Latvia, "the former Yugoslav Republic of Macedonia", the Netherlands, Portugal, Romania and Spain, with local authorities having a formal right to be consulted which is expressly enshrined in law. However, in Austria, Cyprus, France, Greece and Luxembourg, no legal rule exists requiring that local authorities be consulted on matters that may affect them.

33. In countries where the law requires involvement of local authorities in planning and decision-making on matters that concern them, consulting them is legally compulsory and a necessary part of the procedure. If it is omitted, the procedure is invalidated.

34. From the experts' replies we can conclude that in countries where local authorities are consulted by the central (or federal)/regional government, there are three areas in which, generally speaking, we find formal or informal consultation and/or participation of local authorities: local-authority finance, local-authority responsibilities and changes to local-authority boundaries.

35. In Austria, even in *Länder* where consultation of local authorities is not required by law, such consultation is necessary in procedure relating to location of industrial firms, siting of rubbish dumps and local funding. In France, procedure in spatial and regional planning involves large towns and in some cases municipalities.

36. Regarding delegation of powers and responsibilities to local authorities, it should first be noted that such delegation does not have the same legal value and scope in all countries. In the United Kingdom, no use is made of delegated powers and responsibilities in the systems of local government. However, in all other countries the law provides for the delegation of powers and responsibilities to local authorities, though the legal arrangements vary.

37. Delegation of a responsibility from state level to the local authorities presupposes a law that necessarily affects the local authorities. Thus, in most countries, there must be prior consultation of local authorities in the legislative process, before any responsibilities are actually delegated by the state or regions (or *Länder*). This is not the case in Croatia, Georgia, Greece, Turkey and Ukraine, where local authorities are not consulted before delegation of powers and responsibilities.

38. In addition, delegation of responsibilities to local authorities must be accompanied by the necessary finance for carrying them out, and in most countries formal or informal consultation of local authorities is a mandatory part of finance allocation. This consultation arises from the principle of concomitant financing enshrined in Article 9.2 of the Charter.

39. Lastly, it should be noted that in several countries (for example Denmark, Greece, Portugal and Slovenia), whether the delegation of powers and responsibilities to local authorities takes legal effect depends not only on the local authorities being consulted but also on their agreement.

III.2. Methods of consultation

40. As in the legislative process, consultation of local authorities in planning and decision-making is usually carried out via their representative associations at national and regional level. However, in the case of decisions concerning one particular local authority, it is that authority that is consulted.

41. In Azerbaijan and Georgia, no associations of local authorities exist and consultation takes place only with large municipalities.

42. In Spain, consultation of local authorities takes place at two levels: informal consultation of the national (or regional) federation of municipalities and provinces, and formal consultation within the national committee on local self-government (a permanent central body chaired by the minister of public administration and comprising twenty members: ten representatives of local authorities and ten representatives of central administration).

43. Similarly, in Finland, formal consultation of local authorities is carried out by a joint body set up by government decree (the advisory council on municipal finance and administration), made up of representatives of government and local authorities.

44. It should be added that in some areas the law requires that consultation of local authorities encompass the entire local population. This is the case, for example, in Croatia, Iceland and Portugal, where development and environment-protection projects have to be given public debate before they can be approved.

IV . CONSULTATION AND TERRITORIAL ORGANISATION

"Changes in local authority boundaries shall not be made without prior consultation of the local communities concerned, possibly by means of a referendum where this is permitted by statute"
(Article 5 of the Charter)

IV.1. Consultation of local authorities

45. From the experts' replies it can be concluded that in territorial organisation the general rule is prior consultation of the local authorities concerned. There is an exception to this rule in Georgia, where prior consultation of local authorities is not enshrined in law, in breach of Article 5 of the Charter.

46. Changes in local-authority boundaries can be made under legislative procedure for reorganising the units of local self-government at national (or regional) level. In this case, it is the national (or regional) associations of local authorities that are consulted. However, when the boundary changes are the result of only partial reorganisation, only the local authorities involved are consulted, their views usually being expressed through their deliberative bodies.

47. In most countries (Armenia, Austria, Azerbaijan, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Hungary, Iceland, Latvia, Norway, the Netherlands, Portugal, the Slovak Republic, Spain, Romania, Slovenia, Sweden, Turkey (only when a new municipality is created with a population of more than 2 000), Ukraine and the United Kingdom) consultation of local authorities is compulsory under the constitution or by law as a key part of the procedure for changing local-authority boundaries (by division or merging). This consultation has the legal value of an opinion, and not of a decision binding on national (or regional) authorities.

IV.2. Consultation of the population

48. The prevailing principle of consulting local authorities encompasses the local electorate in a number of countries whose law provides for public consultation in the form of referendums, opinion surveys or public meetings.

49. Public consultation in addition to consultation of local authorities is provided for in the law of several countries as a necessary part of territorial-reorganisation procedure. For example, a referendum is required in Armenia, Azerbaijan, Bulgaria, Cyprus, Croatia, Estonia (for large local authorities), Finland, France, Germany (in some *Länder*), Hungary, Romania, the United Kingdom, Slovenia and Turkey.

50. Legislation in other countries provides for holding optional referendums, if proposed by the local entities, as part of the procedure for changing local-authority boundaries or creating or abolishing local authorities. This is the case in Austria, the Czech Republic, Luxembourg, Malta, Norway, the Netherlands, Portugal, the Slovak Republic, Romania and Sweden.

51. In Greece neighbouring local authorities can merge by decision of their councils, on a proposal from the council members or at the request of at least half of the electorate of each local authority.

52. Local referendums on territorial organisation are purely consultative in most countries. They are binding in France, Hungary and Turkey.

V. CONSULTATION AND FINANCES

"Local authorities shall be consulted, in an appropriate manner, on the way in which redistributed resources are to be allocated to them"
(Article 9.6. of the Charter)

V.1. Right of consultation/"negotiation"

53. Since local authorities have the right to be consulted in legislative and decision-making processes concerning matters affecting them they must necessarily also be consulted on the financial resources allocated to them.

54. This principle has been adopted by the great majority of countries. Except in Armenia, Croatia, the Czech Republic, Georgia and Turkey, consultation of local authorities is everywhere a (formal or informal) part of all decision-making on the allocation of redistributed financial resources.

55. It is important to point out that in several countries (Norway, Portugal, the United Kingdom) the consultation procedure has evolved into a system of negotiation between the government and national associations of local authorities. However, given the "negotiators'" unequal political weight, it may be wondered whether the negotiation is not more theoretical than real.

56. As a rule, it is the finance ministry that is responsible for consulting associations of local authorities, or local authorities themselves, when the annual national budgets are being drawn up or in preparation for local-authority finance reforms or for delegation of powers and responsibilities.

57. There are very few countries in which local authorities are not consulted, in the event of such delegation, on the financial resources allocated to the new functions. In Armenia, Croatia, Georgia, Turkey and Ukraine the right to consultation enshrined in Article 9.6 of the Charter is not observed, which in turn infringes the Article 9.2 principle of concomitant financial provision.

58. In some countries, consulting local authorities on their financial allocation involves joint advisory bodies, made up of representatives of national governments and associations of local authorities. This is the case in Austria, Finland (the advisory council on municipal finance and administration), France (the committee on local finance), Romania (county committees) and Slovenia.

V.2. Influence of politics/political parties

59. Parliament may be involved in the consultation procedure in some countries. In Estonia, Finland, Germany, Iceland, "the former Yugoslav Republic of Macedonia", the Slovak Republic and Ukraine, the parliamentary finance committee usually consults associations of local authorities in the process of approving draft legislation submitted by government. In some countries a large number of members of parliament (Austria, Finland, France) and of ministers (France) are also elected local representatives and therefore have great political influence in legislative and decision-making processes concerning the allocation of resources to local authorities.

60. It should be noted that not consulting local authorities and not having objective, compulsory rules on finance decision-making can sometimes lead to informal systems in which political bias influences local-authority financing and grants and subsidies are arbitrarily allocated, contrary to the Charter.

VI. RIGHT OF ASSOCIATION – INSTITUTIONS FOR DIALOGUE AND DEFENCE OF COMMON INTERESTS

"1. Local authorities shall be entitled, in exercising their powers, to co-operate and, within the framework of the law, to form consortia with other local authorities in order to carry out tasks of common interest.

2. The entitlement of local authorities to belong to an association for the protection and promotion of their common interests and to belong to an international association of local authorities shall be recognised in each State.

3. Local authorities shall be entitled, under such conditions as may be provided for by the law, to co-operate with their counterparts in other Countries."

(Article 10 of the Charter)

VI.1. Recognition in practice of the right of association

61. All countries recognise local authorities' right of association at national level – in other words, their right to belong to a national and/or regional association for the protection and promotion of their common interests. This right is enshrined either in the constitution (Austria, Bulgaria, Estonia Hungary and Portugal) or in law (Armenia, Germany, Greece, Hungary, Latvia, Finland, “the former Yugoslav Republic of Macedonia”, Norway, Netherlands, Romania, Slovenia, Spain and Ukraine)³.

62. It is worth pointing out that although United Kingdom and Swedish law does not contain any local-authority right of association, such a right has come into existence as a matter of officially acknowledged and long-standing practice.

63. The right of local authorities to belong to an international association of local authorities is not recognised in Azerbaijan or Georgia. In all other countries that right is recognised by law, and implemented in principle via a national association.

64. In addition to participation in international associations, local authorities in most countries can institute direct, individual relationships with local authorities in other countries through freely decided twinnings.

65. In Turkey, however, local authorities cannot institute international relations without permission from the Ministry of Foreign Affairs and the Ministry of Internal Affairs; permission from the Cabinet is required before they can join an international association or international organisation.

³ In the case of countries not mentioned, the experts' replies did not indicate the source of the right of association.

VI.2. National associations

66. The number of national associations of local authorities varies considerably in the member countries of the Council of Europe.

67. On the basis of the experts' replies, the situation is as follows:

Austria	two, representing municipalities and towns.
Armenia	two, representing municipalities and municipal councillors.
Azerbaijan	no national association has been set up ⁴ .
Bulgaria	one.
Cyprus	one.
Croatia	one.
Czech Republic	one.
Denmark	two, representing local authorities and county councils.
Estonia	two, representing towns and rural local authorities.
Finland	one.
France	ten, representing mayors, <i>départements</i> , regions, mayors of large towns, mayors of medium-sized towns, conurbations, towns, small towns, communities and district councillors.
Georgia	no national association has been set up ⁵ .
Germany	three, representing large towns, districts and towns and municipalities (the three forming a federal association).
Greece	two, representing the <i>demes</i> and municipalities, and the counties.
Hungary	seven: the national association of municipalities, the association of Hungarian local authorities, the national association of small municipalities, the association of small municipalities, the association of municipalities, the national association of <i>comitats</i> and the association of villages.
Iceland	one.
Italy	three representing communes, provinces and mountain communities
Latvia	five, representing local and regional authorities, towns, large towns, rural municipalities and merged municipalities.
Luxembourg	one.
Malta	one.
Norway	one.
Netherlands	two, representing municipalities and provinces.
Portugal	two, representing parishes and municipalities.
Romania	six, five of which representing communes, towns, municipalities and district councils form a federation of local authorities and mayors of large municipalities.
Slovak Republic	one.
Slovenia	two, representing municipalities and towns.
Spain	one.
Sweden	two, representing municipalities and county councils ⁶ .

⁴ The Congress and the National Association of Local and Regional Authorities of Norway are hoping to be able to start as from January 2005 a new activity aimed at favouring the establishment of a National Association of local authorities of Azerbaijan.

⁵ A National Association of Local Authorities of Georgia was officially created on 17 December 2004 on the occasion of a National Forum of Local Authorities of Georgia organised in the framework of the co-operation activity financed jointly by the Council of Europe and the European Commission.

"The Former Yugoslav Republic of Macedonia" one.

Turkey one.

Ukraine three, representing towns and municipalities, local and regional authorities, and villages and towns. Together they form the congress of local authorities.

United Kingdom three, representing the local authorities of England, Wales and Scotland.

68. These organisations representing the common interests of local authorities are civil-law associations. In countries having several national associations, the system for co-ordination between them seems rather ill-defined, except where several associations are federated in a joint organisation (Germany – the federal association; Romania – the federation of local authorities; Ukraine – the congress of local authorities). In Portugal, the national associations of parishes and municipalities are testing a co-ordination arrangement in which the association of parishes is represented in bodies of the association of municipalities.

69. Associations of local authorities have their own statutes, which must guarantee the representativeness and participation of all members. The statutes lay down the organisational structure. Although differences exist, there is something of an organisational pattern, with a general assembly made up of representatives of all affiliated local authorities (the decision-making body), an executive committee and a chair, elected periodically by the assembly following local-election replacement of the membership. Most associations have an administrative and/or technical bureau headed by a secretary general.

70. Generally speaking, local authorities may express their views individually on matters that are of less general concern, not only during the consultation process but also on their own initiative. However, such matters must relate, directly or indirectly, to local authorities' sphere of action. In practice, local authorities express their wishes or complaints by writing to ministers or making statements to the media, as well as through mayors with seats in parliament in countries where simultaneously holding more than one political mandate is allowed. In this way, even municipalities that do not belong to local authority associations are able to convey their individual wishes to the central or regional authorities.

71. It should be noted that this expression of the individual local authority's views is not allowed in Greece.⁷

VII. EVALUATION OF THE CONSULTATION AND/OR NEGOTIATION PROCEDURE

VII.1. Appraisal of Charter implementation

72. Under Article 4.6, how and when consultation is carried out must be such that local authorities have a genuine opportunity to exert an influence on decisions and planning. Meeting the requirement to consult local authorities "in due time and in an appropriate way" therefore partly depends on whether and to what extent consultation is put on a formal footing.

73. It is interesting to note, on the basis of the experts' replies, that in countries where the prevailing principle is formal consultation the obligation to consult local authorities "in due time and in an appropriate way" is, in general, complied with. In Armenia, Croatia, Georgia, Turkey and Ukraine,

⁶ These will merge in 2005.

⁷ No details on this matter were given by the experts of Armenia, Bulgaria, Croatia, the Czech Republic, Hungary or the United Kingdom.

the lack of consultation on transfer of responsibilities, the level of funding these require and the financial provision made in the national budget illustrates the limitations of the consultation procedure and the weaknesses of the system of local self-government.

74. It should also be pointed out that there is an increasing tendency for central bodies to consult local authorities appropriately in some central and east-European countries (Bulgaria, Hungary, Latvia, “the former Yugoslav Republic of Macedonia”, Romania, the Slovak Republic, Slovenia) as part of consolidating democratic change. However, in Azerbaijan, Croatia and Georgia there is still a long way to go before consultation of local authorities takes place “in due time and in an appropriate way”.

75. Except in Austria and Hungary, the concept of “appropriate consultation” has not yet given rise to particular case-law. Nonetheless, it should be borne in mind that in several countries (for example Spain, France and Portugal) there is extensive case-law on the general legal effects of administrative and legislative non-consultation⁸.

76. In Hungary, the constitutional court held that if a compulsory part of the procedure for approving legislation (for example, consultation of local authorities) was omitted the measures concerned were null and void.

77. In the great majority of countries, the mechanisms for consulting local authorities are based on legal procedures or on customary practice that is well established in the democratic and political relationship between the state and municipalities. However, the process is almost always a mechanism for exchange of views and information between central government and local authorities, rarely taking the form of political negotiation. This is the case only in the very few countries where local authorities have a dominant position in the administrative system.

78. A country’s consultation arrangements will often vary according to the subject matter. Specific consultation procedures are prescribed mainly for local-authority boundary change and setting up new municipalities (Azerbaijan, Cyprus, Turkey, the United Kingdom); local finance (Luxembourg, “the former Yugoslav Republic of Macedonia”, Portugal, Romania, the United Kingdom); environment and town planning (Portugal, Spain) and major investment projects and setting up industrial estates (the Slovak Republic).

VII.2. Standing consultation bodies

79. In principle, consultation of local authorities is carried out by the central or devolved departments of the ministries responsible for the matters in question, which seek the views of the local-authority associations or the individual authority. However, in several countries consultation takes place through a standing body on which local authorities are represented:

80. **Austria:** the advisory committee on financial matters, made up of representatives of the federal government (3), the *Land* government (3) and associations of municipalities and towns (1 each); the Austrian conference on regional planning, made up of representatives of the regions; joint committees, with municipal representatives, for defence and civil-protection matters.

81. **Armenia** : a permanent consultative body to the President of the Republic “Council on local self-government” which also monitors the implementation of the legislation in this area.

⁸ Portugal’s new labour code was recently ruled unconstitutional on the ground of failure to consult the trade unions.

82. **Azerbaijan**: the parliamentary standing committee on local and regional affairs and the municipal methodology centre, which is part of the Ministry of Justice.

83. **Estonia**: the municipalisation committee, made up of representatives of several ministries and associations of local authorities, on finance, education, social and health matters.

84. **Spain**: at national level, the national committee on local government, consisting of 10 representatives of local authorities and 10 representatives of the state; at regional level, the council on local co-operation (Autonomous Region of Murcia), the committee of local authorities (Catalonia) and the local council (Aragon).

85. **Finland**: the advisory council on municipal finance and administration, consisting of 10 to 14 members, with joint representation of local authorities and central government.

86. **Georgia**: the state chancellery's local government and regional policy department is to increase consultation, but represents the interests of central government only.

87. **Luxembourg**: the council on local funding, chaired by the internal affairs minister and with joint representation of central government and municipalities.

88. **“The former Yugoslav Republic of Macedonia”**: the decentralisation co-ordination council, consisting of 17 members, 14 of whom represent state secretaries. The other three members represent the national association of local authorities, the European integration sector and the legislation secretariat. The Trilateral Committee, consisting of three members representing the government, the national association of local authorities and the civil service agency, deals with the co-ordination and consultation of local authorities on training for public servants.

89. **United Kingdom**: the Welsh Partnership Council, consisting of members of the Welsh National Assembly and members of Welsh local authorities, with consultation and advisory functions in local-government matters.

90. **Romania**: the interministerial committee on relations with public administration, chaired by the prime minister and comprising the minister for administration and internal affairs, the deputy minister for public administration, the finance minister and the minister co-ordinating the government general secretariat. Three representatives of the federation of local authorities and five representatives of the national union of Romanian district councils take part in the committee and have permanent guest status.

91. **Slovak Republic**: There are several councils on which local and regional authorities are represented: the governmental council for public administration, the governmental council for regional policy, the governmental council for sustainable development and the governmental council for legislation.

VIII. CONCLUSIONS

92. It can be noted in conclusion that the provisions of the Charter relating to consultation of local authorities are applied in virtually all States. Compliance with these provisions still presents a problem in some States:

a. In Georgia, local authorities are not consulted either during the legislative and decision-making processes for all matters which concern them directly (contrary to Article 4.6 of the Charter), or prior to any changes in local authority boundaries (contrary to Article 5 of the Charter).

b. In Armenia, consultation during the legislative and decision-making processes for all matters which directly concern local authorities is still rare.

c. In Armenia, Croatia, Georgia, the Czech Republic, Turkey and Ukraine, local authorities are not consulted on the way in which redistributed resources are to be allocated to them, or concerning the financial resources allocated for the discharge of new functions where powers are delegated (contrary to Article 9.6 of the Charter).

d. In Armenia and Azerbaijan, local authorities are not entitled to belong to an international association of local authorities (which infringes Article 10.2 of the Charter).

93. The second finding concerns the importance of the associations representing local authorities. It does not apply to Azerbaijan and Georgia, where they have not yet been set up. In the other states, national and regional associations of local authorities play a very important part in the processes of safeguarding and advancing their common interests and carrying on institutional dialogue either with central government (or the *Länder* in Germany) or with the regions.

94. The final remark has to do with the nature of the consultation process. Given the significance of the change in this respect, it should be pointed out that the consultation process has become more and more an essential feature of political negotiation between the State (or the *Länder*) and local authorities. In several States in fact, the consultation process has moved towards a system of negotiations between the government and local authorities, laying down genuine institutional agreements on the development of local self-government and the application of the principle of subsidiarity. This movement has enhanced the role of local authorities in the management of public affairs and democratic institutions.