

## PRESS RELEASE

June 2019

### Report to the Flemish Parliament

#### *Inter-administrative relations between the Flemish government and the cities and municipalities*

*The evolution whereby the Flemish government gives cities and municipalities more and more policy freedom is reflected in, among other things, the integration into the Municipalities Fund of seven subsidy flows to local authorities, and less control and monitoring by the Flemish government. The Court of Audit investigated whether this integration was properly prepared and implemented. It established that the transition from the Flemish government to a more coaching and supporting role has indeed taken shape. However, for the time being this has been accompanied by a loss of policy information.*

#### **Vision**

The Flemish Government has clearly laid down its vision of inter-administrative relationships with cities and municipalities in various policy texts. She wanted to evolve from a steering and controlling role to a framework-setting, coaching and supporting role, without, however, having sufficiently clarified that new role. Part of this evolution was the integration into the Municipalities Fund of seven subsidy flows to the cities and municipalities from 2016 onward. These are subsidies for local cultural policy, local youth policy, local sports policy, local integration policy, local child poverty reduction, municipal development cooperation and supporting educational policy, together accounted for more than 130 million euros in 2015. This integration was to lead to a more supported local policy and fewer planning and reporting obligations for both the Flemish government and local authorities.

#### **Preparations**

The Court found that the Flemish Government did not really investigate in advance which subsidy flows it was best to integrate, or whether the cities and municipalities had enough administrative power to fulfil their new role. Moreover, by integrating these subsidies, the Flemish Government has abandoned, without evaluation, its governing by means of policy priorities, which it introduced just two years before. It also based the distribution of the funds from the Municipal Fund on the former subsidy distribution. The same cities and municipalities therefore received the same resources, without taking into account later social needs.

#### **Implementation of the change**

For the further realization of this change process, policy documents mainly provide clarification about the instruments the sector administrations can use for their new role, such as the mutual exchange of policy information. Only for the Culture, Youth and Sports policy areas do the policy notes and letters provide clarification on how the sector administrations should fulfil their new role. In practice, the sector administrations have

fulfilled their new roles differently, building on their own initial situation. However, some common trends can be observed, such as the outsourcing of the supporting role to subsidized non-profit organizations. All sector administrations indicated that they have less policy information about local policy now than they used to, due to the loss of subsidy. But at the same time they are aware that, in order to provide this policy information, they need to use existing instruments differently or develop new instruments, such as the local leisure monitor, without again increasing the burden of planning and accountability.

### **Impact on the cities and municipalities**

A web survey of cities and municipalities carried out by the Court of Audit shows that most local authorities have indeed been given greater policy freedom and that they have mainly used this freedom in terms of policy objectives, management role and the creation of a more integrated policy. Most local authorities rated their administrative power as adequate, with a more positive rating by center cities and larger cities and municipalities. A majority of the local authorities obtain sufficient policy information from their own long-term strategic planning, but at the same time indicated that they needed even more data and policy information from the Flemish government.

### **Response of the minister**

The Flemish minister of Internal Administration, Civic Integration, Housing, Equal Opportunities and Poverty Reduction agrees with the description of the facts in the report, but finds some conclusions too strongly formulated.

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### **Information for the press**

The Court of Audit exerts an external control on the financial operations of the Federal State, the Communities, the Regions and the provinces. It contributes to improving public governance by transmitting to the parliamentary assemblies, to the managers and to the audited services any useful and reliable information resulting from a contradictory examination. As a collateral body of the Parliament, the Court performs its missions independently of the authorities it controls.

The audit report on *Inter-administrative relations between the Flemish government and the cities and municipalities* has been sent to the Flemish Parliament. The full version and this press release can be found on the Court's website: [www.courtfaudit.be](http://www.courtfaudit.be).