

Report of the Copenhagen Metropolitan  
Commission on the future structure  
of the Copenhagen Metropolitan Area

Assessments and proposals



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## I. RECOMMENDATION

As set out in its terms of reference of 15 November 1994, the Copenhagen Metropolitan Commission assumed the task of analysing different potential models for a reform of the county structure and the provision of county services and facilities in the Copenhagen Metropolitan Area.

In its report on the future structure of the Metropolitan Area, the Copenhagen Metropolitan Commission has submitted the following recommendation:

- Reflections on an administrative reform of the Metropolitan Area should be based on a structural model featuring the establishment of a directly elected body which is empowered to levy taxes.
- The Commission points to two alternative models for a reform of Copenhagen's system of local government:

*A Metropolitan Region*, comprising the local authorities of Copenhagen and Frederiksberg and the counties of Copenhagen, Frederiksborg and Roskilde. The Metropolitan Region focuses on the handling of regional tasks. To avoid an excessively heavy administrative structure and to ensure proximity in the discharge of responsibilities, the model is founded on the transfer of county tasks. In that connection, consideration should be given to the transfer of tasks in the fields of education, health care and social services.

*A Metropolitan County*, comprising the local authorities of Copenhagen and Frederiksberg and the County of Copenhagen. The Metropolitan County focuses on the handling of county tasks and is founded on the present distribution of tasks between local authorities and counties. The tasks that call for inter-county co-operation will be undertaken jointly, for instance under the auspices of special councils or corporations in which the Metropolitan County will participate together with the counties of Frederiksborg and Roskilde.

- The hospital task should be undertaken either by the Metropolitan Region/Metropolitan County or by a hospital corporation, where due consideration has been given to measures aimed at affording citizens influence and ensuring democratic decision-making processes.

- The need for changes in the present equalisation schemes depends on the choice of model. The Metropolitan Region model is considered not to give rise to changes. If there is a general wish for the Metropolitan County model to offer the Copenhagen Metropolitan Area a system of financial distribution similar to that of the Metropolitan Region model, this would call for a special equalisation scheme for both income and expenditure between the three counties.

- In response to the altered structure of the Metropolitan Area, the statute that applies specifically to the administrative affairs of the City of Copenhagen should be repealed. Such a step would make Copenhagen subject to the general Local Government Act. It is recommended that the City of Copenhagen adopt the committee system approach and allow the committees to appoint their own chairmen to ensure a competent structure in terms of decision-making power.

- The debt incurred by the City of Copenhagen should, as a starting point, be borne by the City's own inhabitants, who have received assets for some of the debt. To the extent that the City of Copenhagen is offered financial relief by transferring its responsibility for hospital services to the Metropolitan Region or Metropolitan County, this may contribute to a reduction of the debt.

## **II. ANALYSES AND PROCEDURE**

The terms of reference of the Copenhagen Metropolitan Commission are set out in the appendix.

In compliance with its terms of reference, the Copenhagen Metropolitan Commission has based its deliberations about the county structure and the handling of tasks in the Copenhagen Metropolitan Area on a number of technical analyses and descriptions of the following elements:

- Principles of administrative reform in Copenhagen
- The task structure in the Copenhagen Metropolitan Area
- The future development potential
- Foreign experience and reform considerations
- Responses from local authorities, counties and others

The Commission has consulted the affected local government partners in the area, representatives of social science and other experts.

Some of the active steps taken by the Commission for this purpose include a seminar for invited researchers on 8 February 1995, on which occasion the principles underlying a local government reform in Copenhagen were subjected to negotiations.

Then the Commission prepared a booklet presenting a comprehensive tentative report on the principles of a local government reform. This tentative report was a stepping-stone to the negotiations at the Copenhagen Metropolitan Commission's first conference on 13 March 1995 at Eigtveds Pakhus for representatives of local authorities and counties in the area, local government organisations, the Local Government Committee of the Folketing and others.

In the autumn of 1995 the Commission published a new booklet containing an outline of four basic models for a reform of Copenhagen's system of local government. The models presented in this booklet provided the platform for the Commission's second conference for representatives of local authorities and counties in the area, local government organisations, the Local Government Committee of the Folketing and others, held at the Eremitage Hotel in Lyngby on 31 October 1995. The attending researchers were also consulted about the models presented.

In addition, the Commission has held a number of meetings with the eight ministries that are politically responsible for the vast majority of local government functions in the Copenhagen Metropolitan Area. These are the Ministry of Labour, the Ministry of Housing, the Ministry of Cultural Affairs, the Ministry of Environment and Energy, the Ministry of Social Affairs, the Ministry of Health, the Ministry of Transport and the Ministry of Education.

Finally, the Secretariat to the Copenhagen Metropolitan Commission has compiled information on foreign experience from big cities and reform considerations through visits to Oslo, Stockholm, Helsinki, Amsterdam and Rotterdam in the period from June to November 1995.

### **III. ASSESSMENTS AND PROPOSALS**

#### **1. Geographical delimitation of the Copenhagen Metropolitan Area**

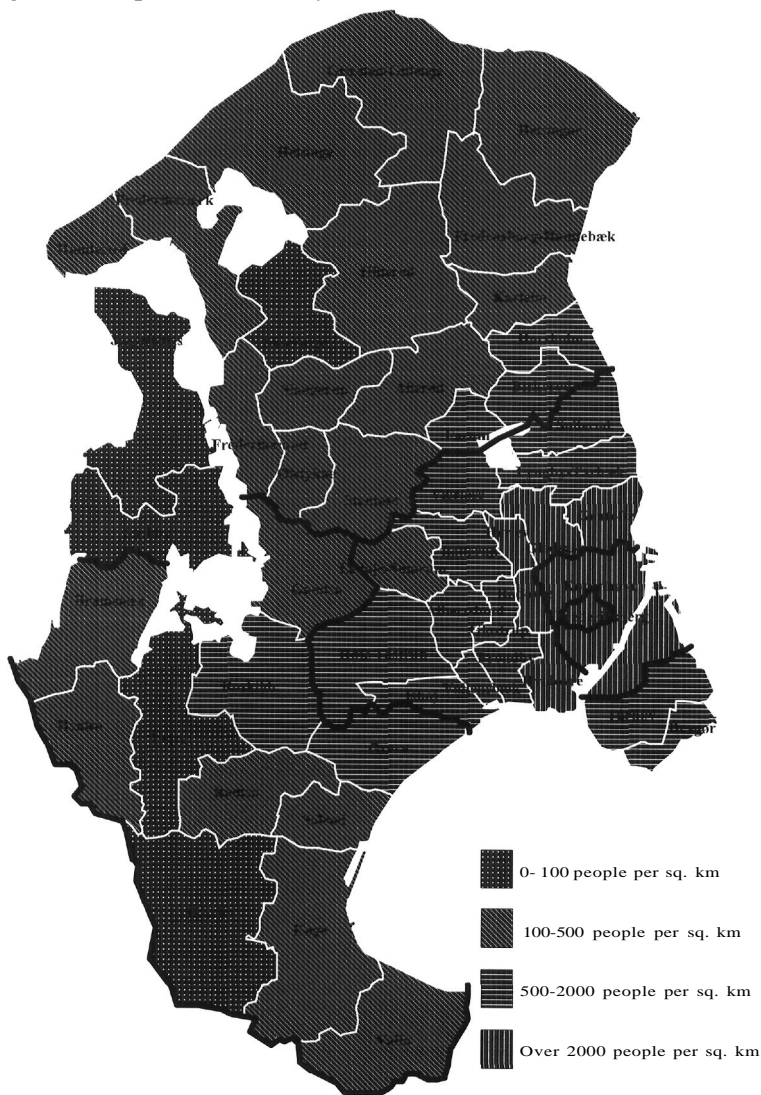
The Copenhagen Metropolitan Commission commenced its work by considering the question about the *geographical* delimitation of the Metropolitan Area. The reason is that the geographical delimitation is important

Figure 1. Denmark including the Copenhagen Metropolitan Area





Figure 2. Population density in 1995



in relation to the assessment of the task structure, future developments and - not least - the extent of the equalisation system within the Metropolitan Area.

It should be noted that the question about the *administrative* structure, which is dealt with in the following section, differs from the question about the geographical delimitation of the Metropolitan Area.

In its assessment of the geographical delimitation of the Metropolitan Area, the Copenhagen Metropolitan Commission has given priority to ensuring that the entire interconnected urban area should form part of the Copenhagen Metropolitan Area as defined.

Regardless of the method of delimitation, the interconnected urban area comprises the local authorities of Copenhagen and Frederiksberg, the County of Copenhagen and parts of the counties of Frederiksborg and Roskilde.

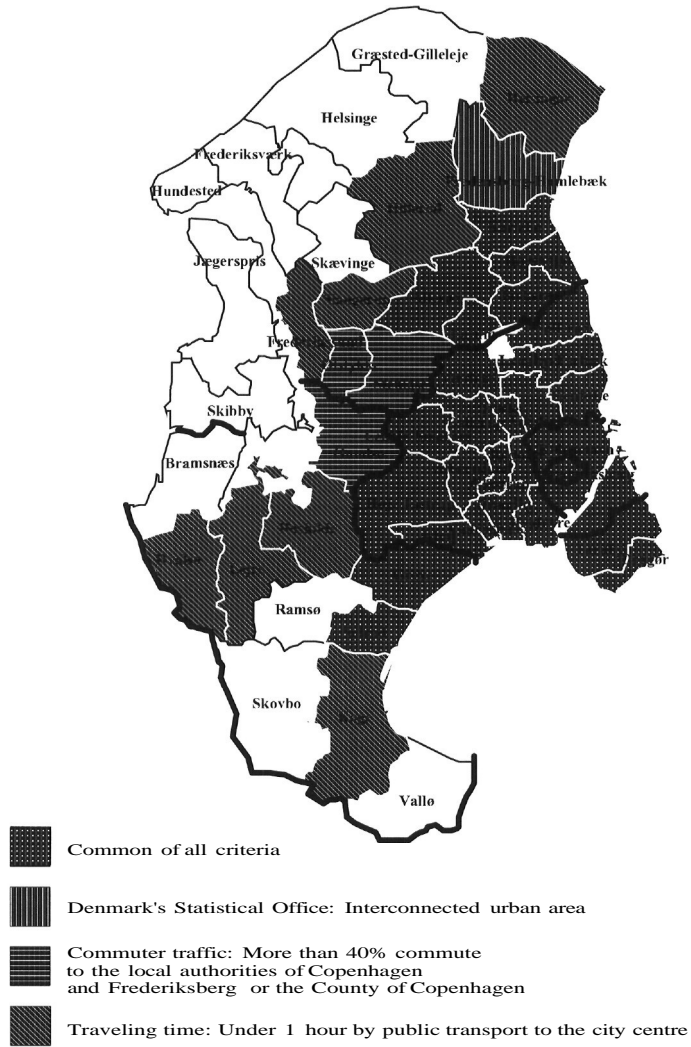
Today the Copenhagen urban community thus extends beyond the boundaries of the County of Copenhagen and is, in reality, interlinked with the local authorities of Greve, Solrød, Farum, Birkerød, Hørsholm, Allerød, Karlebo and Fredensborg-Humlebæk. Added to this, commuter traffic from local authorities such as Stenløse, Ølstykke and Gundsø to the local authorities of Copenhagen and Frederiksberg and the County of Copenhagen accounts for more than 40% of all employees resident in these local authorities.

If the Copenhagen Metropolitan Area is delimited as the interconnected urban area, however, two major problems will arise. Firstly, such a delimitation will not be future-proof since urban development in the Metropolitan Area is going to take place outside this area to a considerable extent. This means that, within the foreseeable future, there may be a serious risk that the interconnected urban area will extend beyond the boundaries established for the Metropolitan Area.

Secondly, such a delimitation will result in the division of the counties of Frederiksborg and Roskilde. Some local authorities will become part of the Metropolitan Area, while others will not be included. This will reduce the counties of Frederiksborg and Roskilde and, thereby, deteriorate the possibilities of handling the county-specific tasks in the two counties.

Another possibility is to delimit the Metropolitan Area along the present lines, i.e. an area comprising the local authorities of Copenhagen and

Figure 3. Functional delimitation of the  
Copenhagen Metropolitan Area on the  
basis of different criteria



Frederiksberg as well as the counties of Copenhagen, Frederiksborg and Roskilde.

Such a policy would mean that the Metropolitan Area - besides the local authorities that are part of the interconnected urban community - will comprise local authorities which, at the moment, cannot be said to be an integral part of the urban community, but where the inhabitants on the other hand are extensively employed within the urban area or make use of its arts and leisure facilities. On top of this, many people resident in the urban area use the recreational facilities and the vacation home areas in the local authorities that are adjacent to the interconnected urban area. This contributes to affiliating the local authorities to the interconnected urban community.

In other words, a close link exists between the urban area and the remaining local authorities in the counties of Frederiksborg and Roskilde.

These reflections have caused the Copenhagen Metropolitan Commission to conclude that the Metropolitan Area, in geographical terms, should continue to comprise the local authorities of Copenhagen and Frederiksberg and the counties of Copenhagen, Frederiksborg and Roskilde.

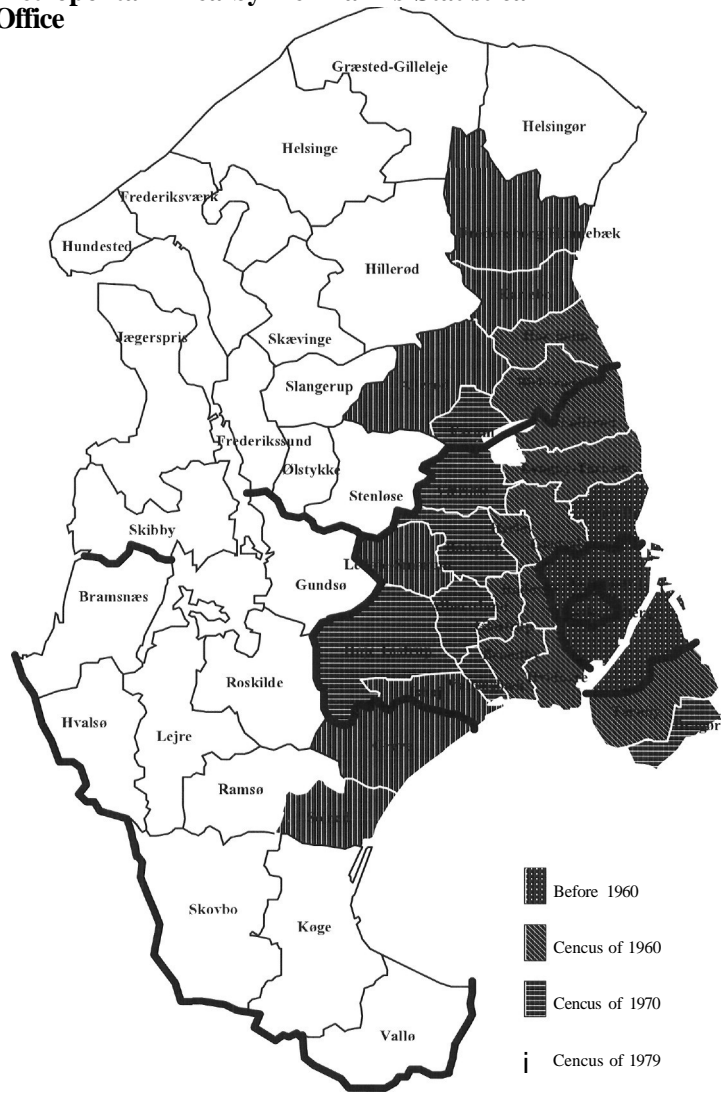
Given this delimitation of the Metropolitan Area, the area comprises 48 local authorities and three counties as well as the local authorities of Copenhagen and Frederiksberg, which are unique unitary authorities enjoying a dual status as both local and county authorities. There is no natural boundary between most of these local authorities because they are incorporated segments in an overall urban structure.

Within the Metropolitan Area, however, wide discrepancies between the individual local authorities are observed with regard to the composition of housing stock, demographic profile, income possibilities and expenditure requirements as well as development potential.

The effects of some of these discrepancies on local authority finances, however, are diminished by the Copenhagen equalisation scheme, which entails a higher level of local authority equalisation in the Metropolitan Area than elsewhere in the country. Problems associated with self-intensifying processes in conjunction with, say, concentrations of subsidised housing cannot be solved through equalisation, though.

Equalisation means that everyone within the Metropolitan Area contributes to financing the total expenditure requirements in the area. Even so,

**Figure 4. Delimitation of the Copenhagen Metropolitan Area by Denmark's Statistical Office**



equalisation cannot assure everyone influence on decisions in other local authorities and counties. The individual citizen has democratic influence solely on developments in the local authority/county where he or she is resident.

To avoid any doubt it should be mentioned that the local authority of Frederiksberg is surrounded by the local authority of Copenhagen. The County of Copenhagen is to the west of the local authority of Copenhagen. The County of Frederiksborg is to the north of Zealand and the County of Roskilde is to the west and south of the County of Copenhagen.

## **2. Choice of basic model**

In October 1995 the Commission presented the following four basic models for a reform of Copenhagen's system of local government:

- a county model
- a local authority co-operation model
- a sector co-operation model (corporations) and
- a State model

The purpose was to provide a framework for public debate on the arguments for and against the various solutions available.

A vast majority of the recommendations the Commission has received from counties, local authorities, organisations and individuals point to the argument that reform considerations should be rooted in a structural model, i.e. a model based on the establishment of a new directly elected body with an autonomous right to levy taxes. This is closest to the model referred to as the "county model" above.

None of the other models has met with noticeable acclaim in the debate. By contrast, the State model has been rejected outright.

The "county model" is also the model that best matches the fundamental principles the Commission formulated when it commenced its work. The Commission has lent particular weight to ensuring that the "county model" complies with the principles of direct elections, direct taxation and a comprehensive approach to the task structure. The "county model" is thus the basic model that best complies with the fundamental principles of the Danish system of local government.

Most reform considerations in the countries studied by the Commission also tend to take the path of a "county model". The model was implemented in 1971 in Stockholm and is being considered - or implemented - in the urban areas of Skåne and western Sweden as well as in the Netherlands. In Norway the "county model" is one of the three models that are being analysed in a new effort to reform the administrative structure of the Oslo area.

The Commission's review of the task structure in the Copenhagen Metropolitan Area has shown that Copenhagen is faced with many of the same problems as those appearing from the study of foreign experience. This means that it is today chiefly the regional tasks that are difficult to handle on account of the present decision-making structure in the area.

The following tasks are associated with regional aspects:

- physical planning and urban development
- nature conservation and environmental protection
- infrastructure and public transport
- industrial development and tourism
- regional co-operation on cultural affairs (theatres and museums) and sports facilities and
- provision of accommodation for refugees etc.

These tasks should therefore be undertaken through a joint effort.

The "county model" will, in the Commission's view, be capable of satisfying these requirements in the optimum manner and, thereby, provide a solid basis for the handling of the regional tasks in the Metropolitan Area. The possibilities of securing a structure for the handling of the regional tasks, however, will depend on the choice of geographical delimitation.

The other models will, to some degree, be capable of securing a structure for the handling of the individual tasks. Apart from the "county model", only the State model can guarantee a sufficient level of coherence and co-ordination of the task structure in the entire Metropolitan Area.

The Commission has therefore ascertained that the recommendations received from counties, local authorities, organisations and others as well as the other elements that have been included in the Commission's assessment point to the "county model" as the basic model for a new administrative structure of the Metropolitan Area.

Against the background of these findings, the Commission has decided not to proceed with the three other basic models, but to base its further deliberations on the "county model".

### **3. Presentation of the two alternative models**

Hence the Commission adheres to the view that two models are of particular relevance to reflections on the Metropolitan Area's future administrative structure. The Commission emphasises that the models presented are two basic models founded on separate strategies.

The first model is a *Metropolitan Region model*, comprising the local authorities of Copenhagen and Frederiksberg and the counties of Copenhagen, Frederiksborg and Roskilde. The Metropolitan Region focuses on the handling of regional tasks. To avoid an excessively heavy administrative structure and to ensure proximity in the discharge of responsibilities, the model is founded on the transfer of county tasks.

The second model is a *Metropolitan County model*, comprising the local authorities of Copenhagen and Frederiksberg and the county of Copenhagen. The Metropolitan County focuses on the handling of county tasks and is therefore founded on the present distribution of tasks between local authorities and counties. The tasks that call for inter-countyco-operation will be undertaken jointly, for instance under the auspices of special councils or corporations in which the Metropolitan County will participate together with the counties of Frederiksborg and Roskilde.

The basic features of the two models are outlined in the two "profiles" on the following pages.

#### **Profile of a Metropolitan Region**

1. A Metropolitan Region will be established, governed by councillors who are elected by popular ballot.
2. The Metropolitan Region will comprise the local authorities located within the counties of Copenhagen, Frederiksborg and Roskilde as well as the local authorities of Copenhagen and Frederiksberg. A total number of 50 local authorities.
3. With approx. 1,7 million inhabitants, the Metropolitan Region will be big in terms of population - seen in relation to the other counties and local



authorities. In terms of geographical size, on the other hand, it will cover a relatively small area of 2861 sq. kilometres.

4. The Metropolitan Region will replace the present counties. The local authorities of Copenhagen and Frederiksberg will solely assume local authority status in line with the other 48 local authorities of the region (but will be responsible for a number of county tasks, see point 9 below).

5. The Metropolitan Region will chiefly be responsible for the following regional tasks:

- physical planning and urban development
- nature conservation and environmental protection
- hospitals - if convenient through a hospital corporation
- infrastructure and public transport
- industrial development and tourism
- regional co-operation on cultural affairs (theatres and museums) and sports facilities and
- provision of accommodation for refugees etc.

In addition, the Metropolitan Region will attend to those county tasks that are not transferred.

6. Special powers will be conferred on the Metropolitan Region in the field of regional planning to ensure a coherent urban development strategy and protect the environment.

7. The Metropolitan Region will be responsible for marketing the Metropolitan Area, for providing advice to enterprises on localisation etc. and for the formulation of a total industrial development plan.

8. The Metropolitan Region will appoint the board of directors of a potential hospital corporation, including a number of directors nominated by the local authorities.

9. Some of the county tasks will be transferred.

10. The Metropolitan Region will be empowered to levy taxes and will operate autonomously for that purpose.

### **Profile of a Metropolitan County**

1. A Metropolitan County will be established, governed by county councillors who are elected by popular ballot.
2. The Metropolitan County will comprise the local authorities located within the county of Copenhagen as well as the local authorities of Copenhagen and Frederiksberg. A total number of 20 local authorities.
3. With approx. 1.2 million inhabitants, the Metropolitan County will be big in terms of population - seen in relation to the other counties. In terms of geographical size, on the other hand, it will cover a small area of 623 sq. kilometres.
4. The Metropolitan County will replace the County of Copenhagen. The local authorities of Copenhagen and Frederiksberg will solely assume local authority status in line with the other 18 local authorities of the region (see point 9 below, however).
5. The Metropolitan County will chiefly be responsible for the county tasks (see points 6, 7 and 9 below, however).
6. The regional tasks will be undertaken partly in co-operation across county boundaries, partly by the State. Apart from the Metropolitan County, the counties of Frederiksborg and Roskilde will participate in this co-operation. The inter-county co-operation will for instance be feasible through the establishment of special councils with decision-making powers or corporations.
7. The Metropolitan County will either itself be responsible for the hospital task, or this task will be handled by a hospital corporation.
8. The Metropolitan County will appoint the board of directors of a potential hospital corporation, including a number of directors nominated by the local authorities.

9. The possibility of transferring a number of county tasks will be explored. This step will be an integral part of an analysis of the distribution of tasks throughout the country.

10. The Metropolitan County will be empowered to levy taxes and will operate autonomously for that purpose. The expenditure of regional co-operation will be shared between the Metropolitan County and the counties of Frederiksborg and Roskilde.

#### **4. General reflections on the two models**

##### **The Metropolitan Region**

The Metropolitan Region model focuses on the handling of the regional tasks. The model is based on the presumption that the handling of regional tasks calls for a joint regional authority for the area and that the area, if united by a joint authority, will gain a stronger position within the Øresund region and in competition with other metropolitan regions. The model matches the principle of the distribution of counties elsewhere in Denmark, according to which county boundaries are not allowed to separate the inhabitants of an urban community.

As a matter of fact, a number of metropolitan areas in other countries are engaged in reform considerations which show a leaning towards the establishment of metropolitan regions. For instance in Skåne. The effect of this is that the Swedish side of Øresund will be represented by a regional body on, for instance, the Øresund Committee. The Metropolitan Region model will mean that the Danish side, too, will have a joint body acting for the Copenhagen Metropolitan Area and with the authority to "present" the area to the international community.

Moreover, because it covers the entire area, the model will mean that future growth in the local authorities around the interconnected urban area will take place within the area of the Metropolitan Region and, thereby, be subject to a joint development strategy of planning and coordination.

Finally, the model will ensure that all citizens in the Copenhagen Metropolitan Area, through direct elections, will gain influence on the handling of regional tasks in the area. In this connection, the Commission finds that the Metropolitan Region should constitute one electoral district. Furthermore, when deciding on the number of councillors, due consideration should be given to the size of the region. With this in mind, the Commission points out that a 51-member council will mean that all political par-

ties that can attain 2% of the votes cast in the area can be represented in the Metropolitan Region council.

A Metropolitan Region will be big in terms of population and will increase the distance between citizens and councillors when it comes to those county tasks that are not transferred. On the other hand, it will entail a shorter distance to the citizens in relation to the tasks that are transferred to local authorities or institutions.

This should be seen in the light of the fact that the Metropolitan Region model focuses on the handling of regional tasks. To avoid an excessively heavy administrative structure and to secure proximity in the discharge of responsibilities, the model implies the transfer of county tasks.

The new administrative unit will thus, in particular, be designed to undertake tasks of a regional nature. With regard to the regional tasks, the principle of proximity does not -in the Commission's view - carry the same meaning as in relation to tasks of a more local nature, since precisely the regional tasks are characterised by affecting a larger area and, consequently, *cannot* be undertaken close to the individual citizen.

The Metropolitan Region model must be seen as a proposal to secure a coherent administrative solution for the large interconnected urban area that is constituted by the Copenhagen Metropolitan Area. On top of this, the transfer of responsibilities will make it possible to accomplish a higher level of proximity in the handling of a range of county service tasks.

The situation can be seen as a direct parallel to the situation when the present local authorities of Aarhus, Odense and Aalborg were formed during the Local Government Reform of 1970. In those days, too, the size of these urban communities gave rise to the formation of local authorities that were big compared with the surrounding local authorities.

### **The Metropolitan County**

The Metropolitan County model focuses on a coherent structure for the handling of the *county tasks* and is founded on the present distribution of tasks between local authorities and counties. The model is rooted in the fact that the local authorities of Copenhagen and Frederiksberg and the County of Copenhagen make up the most homogenous part of the Metropolitan Area.

The County of Copenhagen will be big in terms of population, but because of its very small area and the resulting high population density it will appear in a simpler and more readily-understandable form to the citizens.

In line with the Metropolitan Region model, the Metropolitan County model should constitute one electoral district. Similarly, when deciding on the number of councillors, due consideration should be given to the size of the county. With this in mind, the Commission points out that a 51-member council will mean that all political parties that can attain 2% of the votes cast in the area can be represented in the Metropolitan County council.

The Metropolitan County model entails the preservation of the counties of Frederiksborg and Roskilde as ordinary counties. There will thus be no changes in the administrative structures that have been built up in the two counties and which are based on their present status.

On the other hand, the model will entail the division of the local authorities of Copenhagen and Frederiksberg into a local authority part and a county part, respectively, the county part being transferred to the Metropolitan County.

The regional tasks will be undertaken partly in co-operation across county boundaries, partly by the State. Apart from the Metropolitan County, - the counties of Frederiksborg and Roskilde will participate in this co-operation. The inter-county co-operation will for instance be feasible through the establishment of special councils with decision-making-powers or corporations. The need for coordination should also be seen against the background of the presumption that much of the growth in the Copenhagen Metropolitan Area over the coming years will take place outside the Metropolitan County.

The citizens' influence on overall decisions relating to physical planning and urban development, nature conservation and environmental protection, public transport, etc. will, consequently, be indirect only.

The Metropolitan County model must be seen as a proposal for securing a coherent administrative solution, founded on the present distribution of tasks between counties and local authorities. The model will be supplemented with extended forms of co-operation to enable the handling of particular regional aspects.

## 5. The task structure

Below follows an account of the Commission's reflections on the handling of, respectively, the regional tasks, the county tasks and, in particular, the hospital task in relation to the two models.

### 5.1. Regional tasks

The regional tasks, which are listed in section 2 above, are characterised by the fact that the performance of these tasks calls for joint solutions for the entire Copenhagen Metropolitan Area.

The two models take different approaches to the handling of these regional tasks.

*The Metropolitan Region* focuses, as mentioned, on the handling of regional tasks. The model aims at the creation of a clear decision-making structure in the Metropolitan Area through the establishment of a joint, directly elected body representing the entire Metropolitan Area. The model offers an opportunity to prioritise and coordinate initiatives within the individual task areas as well as across the boundaries of these task areas.

In some areas, however, the Metropolitan Region must be given special responsibilities or powers to be able to undertake the regional tasks.

Owing to the special nature of the Metropolitan Area as an interconnected urban community - albeit an umbrella for a number of local authorities - the Metropolitan Region will be provided with the tools necessary to influence urban development throughout the Metropolitan Area.

With regard to **physical planning and urban development**, the Metropolitan Region will thus be granted supplementary powers in relation to certain infrastructural tasks and in relation to the local authorities in the area, thereby securing the necessary coherence in the area's urban development etc.

With regard to the **provision of accommodation for refugees etc.**, the Commission has considered ways to secure a solution to problems that solely arise because the local authorities in the area cannot reach agreement on voluntary solutions to distribution problems. With this in mind, the Commission has proposed that it be considered to insert a provision in the relevant legislation to the effect that responsibility for the distribution of refugees can be transferred to the Metropolitan Region at the

request of the association of local authorities or at the request of the individual local authority.

It will then be the duty of the Metropolitan Region to decide, on the basis of the circumstances of the individual case, how a distribution should be carried into effect. After the Metropolitan Region has made its decision, which should be final and conclusive, responsibility for the issue will again be vested in the individual local authorities.

Apart from these two concrete proposals, the Commission has found no need to confer special powers on the Metropolitan Region.

*The Metropolitan County* focuses, as mentioned, on the handling of county tasks. The regional tasks can be undertaken in a forum of inter-county co-operation, for instance under the auspices of special councils or corporations in which the Metropolitan County will participate together with the counties of Frederiksborg and Roskilde.

In its review of the regional tasks, however, the Commission has pointed out that it may be difficult to secure the necessary comprehensive approach through such forms of co-operation - cf. also the experience gained from the Metropolitan Council. In the Commission's view, a Metropolitan County model will therefore, to secure a comprehensive approach and coherence, presume the use of special State powers. Examples of these could be the Minister for Environment and Energy's call-in powers and possibilities of issuing regulations on national planning.

Finally, it should be noted that the function pertaining to the solution of problems involved in, among other things, the provision of accommodation for refugees, which will be in the hands of the Metropolitan Region, in the Metropolitan County model will have to be undertaken by the relevant authorities at State level.

## **5.2. Transfer of county tasks**

The *Metropolitan County model* is founded on the present distribution of tasks between the State, local authorities and counties. In some fields it will be necessary to identify special co-operation structures for the entire urban area.

On the other hand, the *Metropolitan Region model* is founded on the view that the Metropolitan Region council should concentrate on the tasks that are of relevance to the entire urban area. To avoid an excessively heavy

administrative structure and to ensure proximity in the discharge of responsibilities, the model is based on the transfer of county tasks.

The county tasks in the fields of *social services*, *education*, and *health care* are all characterised by being closely linked to the handling of tasks at local authority level.

In conjunction with considerations to transfer tasks, it is crucial to take into account opposing points of view such as professional specialisation versus local knowledge. Besides, the question as to whether the local authorities are big enough to cope with the tasks on their own needs to be given due consideration, as well.

The Commission has therefore reviewed the task structure in the Copenhagen Metropolitan Area. In that connection the Commission points to the special features of the Metropolitan Area. The Metropolitan Area is for instance characterised by its populous local authorities - compared with the rest of Denmark. Even though the area also houses a number of smaller local authorities, the many relatively big local authorities will offer better possibilities of a total transfer of county tasks than elsewhere in the county.

### *Social services*

In the field of social services, the Commission finds that the county tasks concerning adults with grave physical and mental disabilities should not be included in the reflections on transfer at this point.

When it comes to the below-mentioned social tasks, by contrast, the Commission finds that it would be reasonable to consider the possibility of transfer:

- Preventive measures, consultancy and counselling,
- Special day-care facilities for children and young people with grave physical or mental disabilities,
- Residential homes for children and young people,
- Institutions for drug addicts,
- Institutions for persons with special social difficulties (homeless people, socially excluded people and threatened groups) and
- Pregnancy and maternity homes.

With regard to the tasks in the field of social services, it should be noted that it is today possible for the local authorities that are interested - subject to approval by the Minister for Social Affairs - to take over



responsibility for the county's institutional tasks on a pilot-scheme basis. Ministerial approval can be granted on condition that the Minister for Social Affairs estimates that the tasks can be undertaken in a professional and financially sound manner, both within the local community concerned and in the county.

This opportunity, which was introduced for the institutional field as a pilot scheme on 1 April 1995 and for the drug treatment field on 1 January 1996, is open to local authorities throughout Denmark and has no consequences in terms of financing, given the fact that financing in the social services field is already shared between counties and local authorities.

It should be considered to what extent the Copenhagen Metropolitan Area, in view of the size and viability of its local authorities, will offer better possibilities of a transfer of tasks than in other parts of Denmark.

In regard to the field of social services, the Commission has therefore considered two alternatives for the transfer of tasks.

It will be examined whether - besides the gradual decentralisation process and with a view to establishing a uniform structure in the social services field - a basis is present for the transfer of the above-mentioned tasks to the local authorities or whether the local authorities should have the option to take over the task without special approval.

In both models the professional expertise will need to be secured. A more thorough assessment of the tools to be applied for this purpose is presumed to take place in connection with the preparation of the new legislation.

Furthermore, the Commission has pointed to the three State institutions in the field of social services, the National Eye Clinic for the Visually Impaired, the Kennedy Institute and Kofoed's School, all of which are engaged in tasks related to the spectrum of tasks performed at county level. These institutions will, in the Commission's view, also have to be taken into account when considering the transfer of tasks.

### *Education*

In the field of education, the Commission finds that the separation of high schools, higher preparatory examination schools and adult vocational - training centres from the Metropolitan Region can be considered.

Separation can, in the Commission's view, be effected in two ways:

*Either* by transferring the tasks to the Metropolitan Area's local authorities, which - as mentioned - are generally bigger than the local authorities elsewhere in Denmark.

*Or* by transforming high schools, higher preparatory examination schools and adult vocational training centres into independent institutions, where local authority representatives can be given seats on the boards with a view to coordination with the local authority school system.

Concerning the extensive level of special education in primary and lower secondary schools, the Commission has noted that the question about a transfer of this task to local authorities nationwide is currently being considered by the National Committee on Special Education.

When it comes to the fields of support for adult vocational training, special education and training for adults and education of adult immigrants, the Commission finds that the handling of these tasks must be adapted to suit the model chosen.

### ***Health care***

In the field of health care, the Commission has solely found reason to consider the aspect of national health insurance in connection with the transfer of tasks.

The Commission points out that the interrelationship between the hospital sector and general practitioners should in particular be taken into account with regard to specialist practitioners. As opposed to the solution that currently applies to the Copenhagen Hospital Corporation (CHC), where the administration of all general practitioners is separate from the hospital sector, the Commission thus finds that specialist practitioners can be combined with the hospital task.

Furthermore, responsibility for general practitioners etc. (national health insurance) might be transferred to a local authority/regional "health insurance CHC", which could also obtain a seat on the Negotiating Committee of the National Health Insurance. Such a structure would be able to lead to closer coordination of initiatives between the health care and social services sectors in the area.

### ***Transfer of further tasks***

The issue of task transfer is presumed to be settled in connection with the political approval or rejection of the Commission's proposals for a new county structure in the Copenhagen Metropolitan Area.

The Commission realises that the Government has already announced its willingness to conduct an analysis of the county tasks and of the State and local authority tasks that might be transferable to the counties with a view to a general assessment of the administrative placement of these tasks.

Such an analysis will open up an opportunity - which the Metropolitan Commission has not previously had - to consider a general transfer of tasks to local authorities nationwide or further decentralisation to user-controlled institutions.

Against the background of these considerations, the Commission has recommended that a committee composed of local government representatives and the relevant ministries be set up to carry out such an analysis with a view to changes in the distribution of tasks and that this analysis also cast light on further possibilities of transfer in the Metropolitan Area alone.

### **5.3. The hospital task**

The provision of hospital services to the citizens is an altogether central task which, in the Commission's view, is typified by a number of special conditions - no matter which of the two models is chosen.

Today we observe a profound need for coordination of the hospital sector within the Copenhagen Metropolitan Area for rationalisation purposes. Such rationalisation will afford the citizens in the Metropolitan Area an opportunity to benefit from high-quality hospital services in specialist units.

Coordination is particularly urgent in relation to the hospital sector within the area to be covered by a Metropolitan County. The bulk of the rationalisation potential in the hospital sector will thus, in the Commission's view, be realisable within the Metropolitan County.

The Commission finds - regardless of the choice of model - that it is important to ensure the optimum level of democratic supervision of tasks.

According to the Commission, the hospital task can be undertaken in two ways:

First of all, the hospital task can be performed by the Metropolitan Region or Metropolitan County, thereby securing joint planning and coordination of hospital services. Besides, the tasks will be undertaken within the same framework as the one existing elsewhere in Denmark. This means that the field will automatically be subject to the same principles of administration under public law as those applying to other public-sector tasks, offering the citizens the same influence on - and insight into - the tasks as in the rest of Denmark.

Another possibility, however, would be to undertake the hospital task under the auspices of a special corporation such as the CHC. Special expertise can be accumulated on the board of directors. The CHC was established as late as 1 January 1995, and all the indications are that the structure should be given a chance to demonstrate its true potential.

Criticism of the so-called "democratic loss" of the CHC has been voiced from different quarters, for instance in some of the responses received by the Commission. The criticism has notably been directed at the presence of directors on the board who are not elected by popular ballot, the form of financing and the lack of transparency in the board's work.

In conjunction with the establishment of a hospital corporation, the Commission recommends that these issues be taken into consideration. It must thus be a decisive prerequisite for the recommendation of a hospital corporation that the citizens are guaranteed the desired level of influence on the handling of the hospital task, for instance that steps are taken to secure openness in decision-making and planning procedures etc., thereby allowing the public debate to take place on a qualified basis.

There are consequently grounds to consider more elaborately how such a hospital corporation can be organised in relation to the traditional administration of the hospital task under the auspices of the county.

Firstly, the Commission would like to point out that a potential hospital corporation in both the Metropolitan Region model and Metropolitan County model should operate throughout the area covered by the Metropolitan Region and Metropolitan County, respectively. The corporation will thus have one "owner" only and, possibly, limited State-level representation on account of the Copenhagen University Hospital. This will mean that its operations, in terms of taxation, will be financed by this sole

"owner", i.e. the Metropolitan Region or Metropolitan County. As a result, such a hospital corporation will differ from the present CHC, which has three "owners" and is financed according to consumption.

Secondly, the Metropolitan Region or Metropolitan County should be responsible for appointing members to the board of directors. To comply with the wish for broad representation on the board, the board of directors can - in addition to members of the Metropolitan Region or Metropolitan County - be made up of representatives from the local authorities in the area to ensure and facilitate coordination between the local authorities' social, health care and hospital services. Moreover, individual persons with special expertise might be invited to join the board, as well. In all circumstances, however, the Metropolitan Region or Metropolitan County should hold a majority on the board because of its financial responsibility for the corporation. Such representation will also be feasible in case the task is going to be handled by the Metropolitan Region/Metropolitan County. That could be effected by laying down special provisions governing the inclusion of external members on the hospital committee.

Thirdly, regarding the question about openness, a hospital corporation could be organised to function along the lines of a hospital committee in a county. In a hospital committee, committee meetings are held behind closed doors, whereas the recommendations to the county council are available for inspection by the general public. Furthermore, the Danish Administrative Powers Act and the Right of Access to Public Records Act apply to the performance of the hospital task. Such openness has already been introduced in the present CHC.

The Commission finds that consideration for the citizens' influence on the handling of tasks can be adequately secured in a corporate model. The Commission would also like to point out that some of the advantages of a corporate model are attainable even if the hospital task is handled by a hospital committee under the Metropolitan Region or Metropolitan County.

Against the background of these findings, the Commission has found no reason to recommend one model rather than the other.

## **6. Equalisation**

The current principle that one urban community is supposed to make up one local authority means that full equalisation within the urban communities takes place in the rest of the country.

As far as the Metropolitan Area is concerned, though, the Commission holds the view that the equalisation reform of June 1995 represents a giant step in the direction of full equalisation. The Commission therefore finds that there is no need for further changes in the equalisation scheme under the Metropolitan Region model. If there is a general wish for the Metropolitan County model to offer the Copenhagen Metropolitan Area a system of financial distribution similar to that of the Metropolitan Region model, this would call for a special equalisation scheme for both income and expenditure between the three counties.

## **7. Local government in the City of Copenhagen**

Against the background of its review of the system of local government in the Copenhagen Metropolitan Area, the Commission has found that there is no need for changes in this field. In relation to the statute that applies specifically to the administrative affairs of the City of Copenhagen, however, the Commission has identified a need for changes.

The Commission finds that there is no longer a reason for the City of Copenhagen to have a special local government statute. The Commission has noted that the City Council of Copenhagen has expressed its consent to a resolution to make the City of Copenhagen subject to the provisions of the Danish Local Government Act.

Therefore the Commission proposes that the statute governing the administrative affairs of the City of Copenhagen be repealed and that the City of Copenhagen be made subject to the general Local Government Act.

Furthermore, the Commission recommends that the City of Copenhagen avail itself of the opportunities to adopt the committee system approach - possibly with a few adjustments owing to the special conditions of the City of Copenhagen. Along the lines of the statement by the City Council of Copenhagen, the Commission has recommended that the committees appoint their own chairmen as in other local authorities in Denmark.

The Commission's recommendations should be seen against the backdrop of the importance for the City of Copenhagen to acquire an effective system of local government - not least in a situation characterised by urban district experiments, a need for financial restoration and large-scale development projects within the local authority.

## **8. The City of Copenhagen's debt**

The City of Copenhagen has incurred a substantial debt, which - both in terms of the per capita figure and in relation to the tax base - is more than three times as high as the total debts of local authorities and counties elsewhere in the Metropolitan Area. The City of Copenhagen's total debt at end-1995 is estimated to be upwards of DKK 12,5 billion.

Concerns that an administrative reform of the Metropolitan Area would entail the transfer of the local authority's debt to the other parts of the Metropolitan Area have been voiced in the public debate.

The Commission has assessed that most of the debt incurred by the City of Copenhagen can be ascribed to the city's local authority activities, whereas only a minor share of the total debt relates to county-specific tasks.

Consequently, the debt incurred by the City of Copenhagen should, as a starting point, be borne by the city's own inhabitants, who have received assets for some of the debt. To the extent that the City of Copenhagen is offered financial relief by transferring its responsibility for hospital services to the Metropolitan Region or Metropolitan County, this may contribute to a reduction of the debt.

## **IV. APPENDIX**

### **Terms of reference of the Copenhagen Metropolitan Commission**

On 15 November 1994 the Danish Ministry of the Interior set up a Copenhagen Metropolitan Commission with the following terms of reference:

"A Copenhagen Metropolitan Commission is set up for the purpose of analysing different potential models for a reform of the county structure and the provision of county services and facilities in the Copenhagen Metropolitan Area.

The analysis will be founded on a set of principles for the structure and responsibilities of the local authorities, which will be identified against the background of a dialogue with the affected local government representatives, researchers and others. With this in mind, the Commission will submit proposals for improved distribution and financing of local authority tasks in the Copenhagen Metropolitan Area.

The purpose of these proposals is to streamline and coordinate the handling of local authority tasks in the region, thereby attaining a higher level of public service for the citizens and a more equal distribution of public expenditure. The work should be seen in the context of the announced equalisation reform.

The Commission's proposals may comprise changes in the county structure, in the distribution of expenditure between the local authority units in the region and in the distribution of tasks between the two tiers of local government.

Moreover, the Commission will assess the incorporation of a number of tasks, including industrial development policy, urban development, land use in general, waste management, public utilities, arts and leisure facilities as well as placement and integration of refugees. The division into local authorities is presumed to be maintained. To attain a simple and clear distribution of tasks in the region, the number of administrative and political levels should not be increased.



In conjunction with the above-mentioned issues, the Commission will assess the need for new or altered forms of government. Foreign experience of decentralisation will be included in the assessment.

In its deliberations, the Commission will take into account the entire Metropolitan Area, i.e. the local authorities of Copenhagen and Frederiksberg and the counties of Copenhagen, Frederiksborg and Roskilde. The Commission's proposals need not relate to the entire area, however.

The Commission will be made up of representatives from the Ministry of Finance, the Ministry of Economic Affairs, the Ministry of Environment and Energy, the Ministry of Business and Industry and the Ministry of the Interior. These ministries will appoint one member each. The Ministry of the Interior will appoint the chairman of the Commission and will also be responsible for the secretariat function.

The Commission is presumed to involve all affected local government partners in its work on a continuous basis. Representatives of social science and other experts will be consulted, as well."

### **Composition of the Copenhagen Metropolitan Commission**

The *Copenhagen Metropolitan Commission* has been made up of the following members:

Ole Asmussen, Permanent Under-Secretary of State, Ministry of the Interior (Chairman)

Jørgen Lotz, Under-Secretary of State, Ministry of Finance

Niels Østergård, Under-Secretary of State, Ministry of Environment and Energy

Holger Eriksen, Head of Division, Ministry of Business and Industry

Hilmar Bojesen, Consultant, Ministry of Economic Affairs

Grethe Løgstrup, Head of Division, Ministry of the Interior

The function as secretariat to the Metropolitan Commission has been undertaken by the Ministry of the Interior, 1<sup>st</sup> Office of Economic Affairs.

