OLA
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Local governance
in the Member States of the European Union

Local self-government in Denmark

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A small state in the heart of Europe, bordering Germany and neighbouring Sweden, Denmark consists of a peninsula and numerous islands covering an area of 43,100 km2 (excluding the Faroe Islands and Greenland) and has a population of 5.82 million.[1] Denmark is governed by the Constitution of 5 June 1953. The country joined the European Union in 1973 but is not part of the Eurozone. Denmark is also a member of NATO and the Nordic Council, along with Finland, Norway, Sweden and Iceland.

Denmark became a member of the EU, together with the United Kingdom and Ireland, on [1] January 1973. Before ratification, the population voted on the Act of Accession in a referendum on 2 October 1972. The turnout was 90%; 63% of the votes cast were in favour. A second referendum was held in 1986 on the ratification of the Single Act. The turnout was significantly lower but still attracted 75% of voters, with 56% in favour.

In 1992, the Danes had already voted yes to European cooperation twice. For the third time on a European issue, they were asked to vote on the Maastricht Treaty, which they rejected. It was in Edinburgh in December 1992 that a solution emerged, making it possible to envisage a second referendum and thus ratification. Thus, after intense negotiations with the other member states, the Danish government was granted four exemptions at the Edinburgh summit, relating to the single currency, common defence, European citizenship and cooperation on justice and home affairs. The Danish electorate accepted the Maastricht Treaty with exemptions in a new referendum in May 1993. Denmark has been a member of the Schengen area since 2001.

Moreover, the Danish people had refused in a referendum in September 2000 to join the euro zone. The previous government undertook to put the question to the

1 https://www.dst.dk/en/Statistik/emner/befolkning-og-valg/befolkning-og-befolkningsfremskrivning/folketal, accessed 23 May 2020.

people again. In the end, Denmark maintained the opt-out clause for the adoption of the euro[2], allowing it not to use the European currency and to keep the Danish krone.

Denmark is a constitutional monarchy (*Article 2 of the Constitution of 5 June 1953*) and its political system is similar to the British parliamentary model. Royal power is transmitted according to the rules laid down in the Act of Succession to the Throne of 27 March 1953.

The monarch appoints and dismisses the Prime Minister and ministers (*art. 14C*) and is politically unaccountable, which is not the case for the Government (*art. 13C*). It exercises executive power while it exercises legislative power jointly with the *Folketing* (*Art. 3C*). The Folketing is a single assembly consisting of not more than 179 members, two of whom are elected in the Faroes and two in Greenland (*art. 28C*). The members of the *Folketing* are elected for four years. As of 28 June 2019, Ms. Mette Frederiksen (Social Democrat) has been Head of Government.

At the apex of the judiciary there is a Supreme Court. The Constitution does not give the courts the power to review the constitutionality of legislative acts, but in practice this power has always been exercised.

Administratively, Denmark is organised in the form of a deconcentrated and decentralised unitary state with a high degree of autonomy for its components. On [1] January 2007, however, the local administrative landscape underwent a profound reform.

[2] https://ec.europa.eu/info/business-economy-euro/euro-area/euro/eu-countries-and-euro/denmark-and-euro_fr

From the beginning of the 19th century until 1970, there were 1,300 urban and rural municipalities and 24 counties in Denmark. It was not until 1960 that the members of the county councils were democratically elected, but ministerial supervision remained. The first major reform took place in 1970, reducing the number of municipalities from 1,389 to 275 and the number of counties from 24 to 14. As a result, each municipality saw its territory and its competences expand. At the local level, the state was represented by 15 county prefectures (*statsamter*) headed by a governor (*Satsamtmand*), appointed by the government.

In October 2002, the government set up a commission on the administrative structure, consisting of local politicians, ministers and specialists. The commission delivered its report in January 2004 and the reform was completed on 1 January 2007. The aim of this reform was to overhaul the local administrative landscape (territories, competences, finances) and made the municipalities (or communes) the essential basic level. The administrative organization, and particularly the relationship of the municipalities with the government, is designed to face future local and international challenges. On this occasion, the number of elected municipal officials has been largely reduced from 4,597 to 2,520 people[3].

This reform was completed in 2011, after the national elections in September. The new government then set up a Commission for the evaluation of local reforms. Following the recommendations of this commission, the Danish Parliament proposed adjustments in 2013, consisting mainly in the adaptation of the distribution of competences between regions and municipalities. This resulted in the system currently in force[4].

Before the 2007 reform, there were 13 counties and 271 municipalities. As of 1 January 2007, five regional prefectures (*statsforvaltning*) replaced the former

[3] Dankse regioner, note on the regions, submitted in May 2020, Danish Embassy in France.
[4] *id.*

county prefectures. They are headed by a director (*Statsforvaltningsdirektor*). As regards decentralised administration, five regions replace the 13 former counties and the number of municipalities is reduced from 271 to 98. In addition, the special statutes of Copenhagen, Frederiksberg and Bornholm have been repealed.

In addition to this general structure, Denmark has two autonomous territories, Greenland (56,648 inhabitants[5]) and the Faroe Islands (52,428 inhabitants[6], a figure that has increased over the last ten years), which have a specific status involving a high degree of autonomy.

Greenland's self-government was strengthened following a consultative referendum held on 25 November 2008. The Greenland Home Rule Act of 19 May 2009 transferred 32 powers. The Act entered into force on 21 June 2009. Core competencies such as currency, defence and foreign policy remain with Denmark, but Greenland is autonomous in the areas of police and justice. In addition, the Act had the effect of removing Greenland from the territory of the European Union.

In addition, there are two associations in Denmark that represent local authorities to national and international authorities. They provide a link between the two levels of government. They are financed by annual contributions from local authorities and negotiate financial conditions and defend the interests of local authorities.

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5 https://naalakkersuisut.gl/en/About-government-of-greenland/About-Greenland/Facts-about-Greenland, accessed June 1, 2020.

6 https://hagstova.fo/en/population/population/population-0, accessed 23 May 2020.

The two associations are: the Association of Municipalities (*Kommuner Landsforening* (KL): www.kl.dk; it includes all 98 municipalities) and the Association of Danish Regions (*Danske Regioner*: www.regioner.dk; it includes all five regions).

In order to better study the Danish local system, we will hereafter present its institutional system **(I)** and the state of local public action in terms of competences and means **(II)**.

Annex 1: Institutional organization

Queen (Margrethe II, en fr. Marguerite II)
Hereditary transmission (s.2C)
No real political power

Government
Prime Minister
Appointment by the King (Art. 14C)
The Ministers
Appointment by the King who determines their number (18 ministers)
art. 14C)

Dissolution

Folketing
A single Assembly consisting of not more than 179 members, of whom two shall represent the Faroe Islands and two shall represent Greenland (rule 28C). Faroe Islands and two for Greenland (Article 28C)
Election to the SUD for 4 years (Art. 31 and 32C)

SUD election

Voters of Danish nationality over 18 years of age (Art. 29 et seq. C)

Supreme Court
18 members
Two chambers deciding all cases within the jurisdiction of the Court
Jurisdiction of a Supreme Court in relation to other courts
The Constitution does not explicitly recognize the power of the courts to review the constitutionality of legislative acts, but this power has always been implicitly granted to them.

Annex 2: Table of the local institutional system

	Decentralized administration	Decentralized administration
Before 2007	15 county prefectures (*statsamter*)	13 counties (*amter*)
		271 municipalities (*kommuner*)
Since 2007	5 regional prefectures (*statsforvaltning*)	5 regions (*regioner*)
		98 municipalities (*kommuner*)

Distribution of population among municipalities in 2019	
Municipalities/Communes	Population
9	0 à 20 000
16	20 001 à 30 000
35	30 001 à 50 000
39	50,001 or more

Source: https://www.statbank.dk/10021, accessed 30 December 2019.

Distribution of population among regions in 2019	
Hovedstaden (29 municipalities)	1 849 989
Sjaelland (17 municipalities)	837 087
Syddanmark (22 municipalities)	123 894
Midtjylland (19 municipalities)	1 326 913

Nordjylland (11 municipalities)	590 580

Source: https://www.statbank.dk/10021, accessed 30 December 2019.

1. The local institutional system

1.1 Local law

1. Constitutional sources

The Constitution of 5 June 1953 is called *Danmarks Riges Grundlov.* It also applies to the Faroe Islands and Greenland, although special legislation has granted them a certain degree of autonomy. The "local government" is called *hjemmestyre.*

The Constitution is relatively discreet on the subject of local authorities. Only article 82 of the Constitution establishes the principle of the freedom of communes.

Article 82 of the Constitution: "*The right of communes to administer themselves freely under the supervision of the State shall be regulated by law*".

In Danish, local self-government seems to be limited to the "*kommuner"* (municipality), which could exclude the regional government.

2. International sources

Denmark ratified the Council of Europe Charter of Local Self-Government on 3 February 1988.

3. Legal sources

- The Act on Internal Self-Government of the Faroe Islands of [1] April 1948 makes the Faroe Islands an "autonomous community".

- The population of Greenland approved the Act of 29 November 1978 on Greenland Self-Government in a referendum on 17 January 1979 and the Act on Greenland Self-Government of 19 May 2009 in a referendum on 25 November 2008.

- The Local Government Act, *Bekendtgorelse af Lov om Kommunernes styrelse* No. 615, dates from 18 July 1998, but its main text was passed as early as 31 May 1968. It states, among other things, that the councils of elected representatives are responsible for municipal or regional matters, without giving further details. It deals with the internal structure of local authorities. This law is, in a way, the "constitution" of Danish sub-state authorities. With the exception of electoral matters, local authorities are virtually free to set their own statutory and operational rules for local government.

- The functioning of the Copenhagen municipality was subject to specific provisions in the Act *Bekendtgorelse af' Lov oni Kobenhavns kommunes stvrelse No.* 616 of 18 July 1995, which is based on an Act of 8 June 1977, amended on 11 December 1996.

- Since 2004, the entire legislative basis of local law has been renewed by the adoption of several texts:

- Law No. 348, 28 April 2005 and amended by Law No. 537, 24 June 2005 on Local Elections (*Consolidated Act on Local and Regional Government Elections*).

- *Consolidated Act on Promotion of the German Minority in the Representation etc. of South Jutland in the Municipalities of* Haderslev, Sønderborg, Tønder *and* Aabenraa of 16 September 2005

- Law No. 1060 of 24 October 2006 on Local Government (*Consolidated Act on Local Government*).

- *Act on Regions and* Abolition of *Counties*, *the Greater Copenhagen Authority and the Copenhagen* Hospital *Corporation*, No. 537 of 24 June 2005 and amended by Act No. 499 of 7 June 2006

- *Act on Equalization and Government* Subsidies *for Municipalities* No. 499 of 7 June 2006.

- Law No. 543 of 24 June 2005 and amended by Law No. 499 of 7 June 2006 on the *Financing of the Regions Act*.

Annex 3: List of the main formal sources of local law

Constitutional sources :
- Constitution of 5 June 1953 (*Danmarks Riges Grundlov*)
(http://mjp.univ-perp.fr/constit/dan.htm)

International sources :
- European Charter of Local Self-Government of 15 October 1985 (ratified on 3 February 1988)
(http://www.ena.lu/charte_européenne_autonomie_locale_strasbourg_15_octobre_1985-010302508.html)

Legal sources :
- The Faroese Home Rule Act of [1] April 1948.

- The Greenland Home Rule Act of 29 November 1978 and the Act of 19 May 2009.

- **The Local Government Act**, *Bekendtgorelse af Lov om Kommunernes styrelse* No. 615 of 31 May 1968.

- The Act *Bekendtgorelse af' Lov oni Kobenhavns kommunes stvrelse* on the municipality of Copenhagen *No* 616 of 18 July 1995.

- **The Local Government Elections Act** No. 348 of 28 April 2005 as amended by Act No. 537 of 24 June 2005 (*Consolidated Act on Local and Regional Government Elections*)
http://english.vfm.dk/MinistryOfSocialWelfare/legislation/interior_legislation/local_and_regional_government_elections/Sider/Start.aspx

- The *Consolidated Act on Promotion of the German Minority in the Representation etc. of* **South Jutland in the** *Municipalities* **of** *Haderslev***, Sønderborg, Tønder** *and* **Aabenraa**, No. 869 of 16 September 2005
http://english.vfm.dk/MinistryOfSocialWelfare/legislation/interior_legislation/promotion_of_the_german_minority/Sider/Start.aspx

- **The** *Consolidated Act on Local Government* No. 1060 of 24 October **2006**
http://english.vfm.dk/MinistryOfSocialWelfare/legislation/interior_legislation/local_government/Sider/Start.aspx

- **The Act** *on Regions* **and** *Abolition* **of** *Counties***,** *the* **Greater** *Copenhagen Authority and the Copenhagen* **Hospital** *Corporation*, No. 537 of 24 June 2005 and amended by *Act* No. 499 of 7 June 2006
http://english.vfm.dk/MinistryOfSocialWelfare/legislation/interior_legislation/act_on_regions/Sider/Start.aspx

- **The** *Act on Equalization and Government* **Subsidies** *for Municipalities*, No. 499 of 7 June 2006
http://english.vfm.dk/MinistryOfSocialWelfare/legislation/interior_legislation/subsidies_for_municipalities/Sider/Start.aspx

- **The** *Financing* **of** *the Regions Act*, No. 543 of 24 June 2005 and amended by Act No. 499 of 7 June 2006.
http://english.vfm.dk/MinistryOfSocialWelfare/legislation/interior_legislation/financing_of_the_regions/Sider/Start.aspx

1.2 Local organization

1.2.1 Danish territorial institutions (detailed presentation)

Since [1] January 2007, the two decentralised entities in Denmark are the municipalities and the regions. The deconcentrated administration is located at the regional level.

1.2.1.1 Municipalities and regions

The reform, which came into force on [1] January 2007, covered the entire public sector. At the local level, the territory of the municipalities has been redivided and the regions have replaced the counties. The distribution of competences between the central State, the municipalities and the regions has been renewed and local finances have been completely revised.

The municipalities

Denmark had 271 municipalities until 2007. Now there are only 98. The reason for this reduction is the minimum size of municipalities set by the reform.

- The reform has set the minimum size of Danish municipalities at 20,000 inhabitants, which has led to a sharp reduction in the number of municipalities, since their average population used to vary between 5,000 and 10,000 inhabitants. The average population of a municipality is now 58,155[7]. 40% have between 30 000 and 50 000 inhabitants.

- To avoid a merger made compulsory by the new threshold, some communes have signed cooperation agreements with each other. The "new commune" must necessarily be larger and constitute a whole of at least 30 000 inhabitants.

[7] www.oecd.org/regional/regional-policy/profile-Denmark, accessed December 30, 2019.

After 2007, only seven communes, most of which are islanders, kept their population below 20 000 by signing a cooperation agreement with a commune on the mainland.

Appendix 4: Distribution of municipalities according to population

Population	Number	Percentage of total
Less than 5,000 inhabitants	4	4
Between 5,000 and 10,000 inhabitants	1	1
Between 10,000 and 20,000 inhabitants	4	4
Between 20,000 and 30,000 inhabitants.	16	16
Between 30,000 and 50,000 inhabitants.	35	35,5
Between 50,000 and 100,000 inhabitants	32	32,5
More than 100,000 inhabitants.	7	7

Source: https://www.statbank.dk/10021, accessed 30 December 2019.

- *The regions*

The regional unit is new in Denmark. Before 2007, both at the deconcentrated and decentralised level, the supra-municipal level was the county. There were 13 counties. These counties have been replaced by five new regions: North Jutland, Central Jutland, South Denmark, Seeland and the Capital Region. Each region has a population of between 0.6 and 1.8 million.

Before the reform, there were three exceptions to the Danish local structure. Copenhagen, Frederiksberg and Bornholm had a dual status of municipality and county.

The capital Copenhagen, Frederiksberg and Bornholm as well as the former counties of Copenhagen and Frederiksborg are now part of the Capital Region, which is the most populous in the whole kingdom with 1.6 million inhabitants.

1.2.1.2 Regional prefectures

The 2007 reform established five regional prefectures (*statsforvaltning*) replacing the former 15 county prefectures (*Statsamtmand*). They are headed by a Director (*Statsforvaltninsdirektor*) appointed by the government.

Previously, the control of legality of local government acts was carried out by supervisory commissions composed of four members elected by the county council. Now, this control is the responsibility of the five regional prefectures. They can annul any decision considered to be illegal as well as impose fines on municipal or regional councils to force them to implement a compulsory measure. Decisions taken by the regional prefectures can be appealed to the Minister of the Interior and Health.

1.2.2 Local bodies

Before the 2007 reform, the bodies of the counties and municipalities were very similar. In particular, their deliberative bodies were elected at the same time and for the same term. Now there are differences between the municipal bodies (1.2.2.1) and the regional bodies (1.2.2.2).

1.2.2.1 Communal bodies

- The city council

The municipal council is elected every four years, according to a system of proportional representation by party list. Each council is free to determine the number of its members, but within a fixed framework. Municipalities with fewer than 20,000 inhabitants must have between 9 and 31 councillors. Those with more than 20,000 inhabitants must have between 19 and 31. Copenhagen continues to have 55 members.

The council is assisted by standing committees (*staende udvalg*) composed of council members. The council is obliged to set up a finance committee (*okonomiudvalg*) and another standing committee. These committees must have an uneven number of members, which may not exceed half the number of councillors. The council may also set up special committees assisted by offices in specific areas.

- The Mayor

The council appoints a mayor from among its members.

1.2.2.2 Regional bodies

- Regional Councils

The regional councils have 41 members elected according to a system of proportional representation by party list every four years. The last local elections took place in 2017, consecrating the very strong representation of the Social Democratic Party (more than one million votes committed out of the 3 million votes cast), distancing (by almost 300,000 votes) the Liberal Party, remaining the second largest party in the country [8].

- The Chairman of the Regional Council

The president of the regional council (*formand*) is elected from among its members.

- Regional commissions

The regional councils are obliged to set up a finance committee called the executive board (*forretningsudvalg*). It is headed by the chairman of the regional council. The regional council has no other standing committee, but it may also set up special committees for specific areas.

Despite the important reform undertaken in 2007 and the efforts made, in 2016 the OECD called for an overhaul of social institutions and an optimization of the autonomy granted to local governments. "*Social institutions are costly. To remain sustainable, they must become more efficient. Making better use of the autonomy of local authorities to learn from the plurality of approaches to social service delivery should also strengthen their accountability for results*." [9]

a) **(a) Municipal organization**

Annex 5:

[8] https://statistikbanken.dk, accessed February 9, 2020.

[9] OECD, *Denmark*, OECD Economic Surveys, OECD Publishing, 2016/11, No. 11.

CITY COUNCIL
- The mayor is the chairman
- The municipal council deliberates within the framework of its powers
- The municipal councillors are elected for 4 years by direct universal suffrage, with proportional representation
- Municipalities of less than 20,000 inhabitants: 9 to 31 councillors; more than 20,000: 19 to 31; Copenhagen: 55

Finance Committee (*okonomiudvalg*)	Standing Committees (*staende udvalg*), 1 or more	Special Commissions assisted offices
Members chosen from among the municipal councillors, whose number must be odd and not exceed half the number of municipal councillors	Same rules of composition. Their role is to implement the decisions taken by the municipal council	Specific skills

(b) Regional organisation

Appendix 6:

REGIONAL COUNCIL
- The president of the regional council (*formand*) is elected by its members
- The Regional Council shall deliberate within the framework of its powers
- The regional councillors are elected for 4 years by party list voting with proportional representation
- The regional councils have 41 members.

Finance Committee (business)	Liaison Committee (contact)	Special Commissions
Responsibility for the preparation of the budget, with regard to the regional economy and the region's personnel	Chaired by the president of the regional council, this commission also includes the mayors of the region's municipalities	Created at the discretion of the regional council with specific competencies

1.3 The status of local elected officials

Below we will look at the method of appointment and the rights of local elected officials.

1.3.1 Methods of appointing local elected officials

Local elected representatives are elected by direct universal suffrage. The legal framework for local and regional elections is set out in the *Local and Regional Government Election Act*, consolidated version No. 348 of 18 April 2005. Municipal and regional councillors are elected for four years according to a system of proportional representation by party list. However, the voter has the choice of putting the name of a candidate or a party on the ballot paper.

In order to be elected as a municipal or regional councillor, the conditions for being an elector in these same elections must be met. These conditions are as follows:

- being a Danish citizen
- be a citizen of another Member State of the European Union
- be a citizen of Iceland or Norway; or
- have resided continuously in the Kingdom for three years prior to the day of the election.

You must also be in possession of your civil rights.

The municipal councillors appoint a mayor and the regional councillors appoint their president and possibly one or two vice-presidents (or deputy mayors).

1.3.2 The rights of local elected officials

As regards the incompatibility regime applicable to local elected representatives, Danish law is flexible and allows all kinds of plurality (two local mandates, one national mandate and one local mandate). However, some political parties (such as the Social Democrats) regulate themselves the holding of multiple mandates.

2. Local public action

2.1 Local skills

We will study the distribution of local competences (2.1.1) and the other modes of exercising competences (2.1.2).

2.1.1 The distribution of local powers

Local competences have been profoundly reshaped by the 2007 reform, adjusted in 2013. The distribution has been modified both between the central government and the local authorities and between the authorities themselves.

However, this redistribution had to be based on two principles. First, the reform should not have any impact on expenditures. Secondly, each new competence had to be accompanied by the funding required to exercise it (the communities losing competences had to compensate those that obtained them).

We will study the communal competences (2.1.1.1), the regional competences (2.1.1.2) as well as the competences remaining with the State (2.1.1.3).

2.1.1.1 Communal powers

The communes have retained the competences they exercised before the reform:

- education (from kindergarten to primary school),
- social action (care for the elderly, retirement pensions and family allowances paid on behalf of the State, health reimbursements, etc.),
- local public networks and services (water supply, waste collection, electricity, local road network, etc.),
- certain health services (prevention, care of the elderly, home nursing, medical and dental school care),

The reforms of 2007 and 2013 led to a new transfer of competences. First of all, these are former competences that belonged to the counties in the field of environment and spatial planning.

Secondly, new competences have been transferred to them in areas where they were already present:

- education (special education for children and adults),
- Libraries, music schools, sports and culture,
- social action (full management of funding, benefits and decision making),
- health care (comprehensive management of outpatient rehabilitation, preventive care, alcohol and drug abuse care, specialized dental care),
- transportation (management of the county's major road network),
- setting up employment centres under joint management with the State.

2.1.1.2 Regional competencies

In the new distribution, the regions are entrusted with the following competences (*Act on regions*, no. 537, 24 June 2005):

- health care (hospital services, psychiatry, health insurance, general practitioners and specialists, etc.),
- regional development (business promotion, tourism, environment, education and culture, public transport, etc.),
- social action (management of county facilities for people at risk or with special needs) and special education,
- soil pollution.

2.1.1.3 Jurisdictions taken over by the State

The State took over the former competences of the counties in the field of secondary education and partially those concerning the local road network. It also took over the collection of taxes from the municipalities.

The State is responsible for the police, defence, the legislative system, international relations, debt management, general employment policy, sustainable development, subsidies for economic, commercial and industrial affairs, and the policy for receiving asylum seekers.

2.1.2 Other modes of exercising jurisdiction

The exercise of powers at local level involves the creation of local public enterprises (2.1.2.1) and the establishment of intermunicipal cooperation (2.1.2.2).

2.1.2.1 Local public enterprises

Municipalities and regions may set up local public enterprises. They may do so alone or in cooperation with other entities: local authorities or private bo-

dies. These enterprises may take the form of cooperatives, public limited companies, limited liability companies or profit-sharing companies. They are subject to company law and public law rules. The establishment of a public enterprise is a preferred method of management for the exercise of powers and responsibilities of a public authority. They can also be set up for the production and sale of goods and services, provided that they use local know-how and have a link with the powers of the local authority concerned. The preferred area for these companies is waste collection and treatment and water supply, which are traditional local public services.

The law sets a ceiling for the participation of a community in the capital of a public company: 49% since 2006.

2.1.2.2 Inter-municipal cooperation

Inter-municipal cooperation is expressed in different ways. It may involve the creation of joint bodies to manage public services, simple exchanges of know-how and experience, or the elaboration of joint development programmes.

At the regional level, a regional liaison committee (*kontaktudvalg*) has been set up. All municipalities in the region must participate. The municipalities are represented by their mayors and the committee is headed by the regional chairman. The meetings are held twice a year and discuss cooperation between the region and the municipalities. The Liaison Committee is also responsible for framework agreements for cooperation within the region, mainly in the field of health and social services.

Annex 7: Table of distribution of competences between levels of local government

		Communes	Regions	State
Employment		X		X
	Unemployed without insurance	X		
	Unemployed with insurance			X
	Job centres	X		X
Economy		X	X	X
	Local economy and tourism	X		
	Regional planning and tourism		X	
	General growth and planning			X
Transport and roads		X	X	X
	Local roads and transportation	X		
	Transport companies (organisation and coordination)		X	
	General structure and track			X
Culture		X	X	X
	Grant, music school and local museum	X		
	Initiation of cultural projects		(X)	
	Primary responsibility for funding, national museums, theatre, orchestra			X
Nature and environment		X	X	X
	Regulations, local plans	X		
	Regional plans, resource management, pollution control		X	

	Competencies related to international obligations, specific regulations, national planning			X
Taxation		X		X
	Collaboration with government departments	X		
	Primary responsibility			X
Social action		X	X	X
	Benefit, funding and regulation, youth in need operations	X		
	Specific needs of certain groups, coordination of services with the State, housing for the elderly		X	
	Monitoring and Advisory Organisation (VISO)			X
Public Health		X	X	X
	Preventive treatment and outpatient care, home help, alcohol and drug treatment	X		
	Hospitals, Psychiatry, Health Insurance		X	
	Planning			X
Education		X	X	X
	Primary school, special education (children and adults)	X		
	The most specialised establishments, including those for disabled people (mute, deaf, blind)		X	

	General framework, youth and adult education, higher education and research			X

2.2 Local resources

2.2.1.1 Local and regional government staff

There are two types of staff in the municipalities and regions. They can be civil servants or contractual employees. The trend is towards contractual employment.

Annex 8: Local government staff

Full-time staff in Danish municipalities and regions (2007)		2019
Municipalities	438 567	418 661
Regions	116 339	122 045
Total	554 906	540 706

Source: https://www.statbank.dk/10313, accessed February 9, 2020.

Municipal and regional staff, type of status (2007)		
	Officials	Contractors
Municipalities	41 253	397 314
Regions	6 130	110 209
Total	47 383	507 523

Source: *The Danish Local Government System (Local Government Denmark (LGDK)*, February 2009). http://www.kl.dk/ImageVault/Images/id_38221/ImageVaultHandler.aspx

2.2.1.1 Local Assets and Heritage

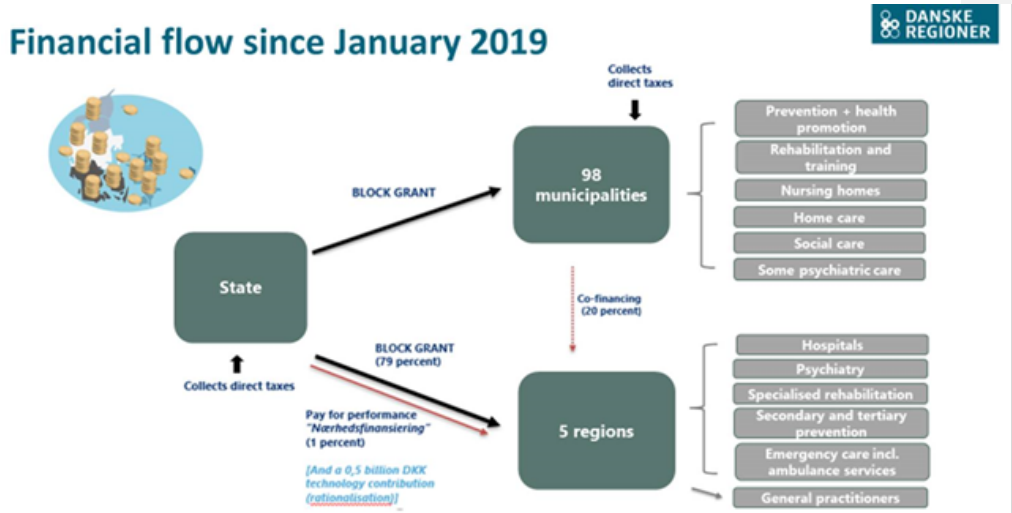
Danish local authorities have very extensive property holdings. Their ownership is guaranteed by the Constitution. Municipal property is regarded as one of the essential elements of the principle of free administration guaranteed by section 82.

2.2.3 Local Finance

Local finances are governed by the Local Governance Act, No. 1060 of 24 October 2006 for municipalities and the Act on Equalisation and Government Subsidies for Municipalities, No. 499 of 7 June 2006. The regions have a different status since they are financed by an endowment from the central government and a small contribution paid directly by the municipalities (Law on the financing of the regions, n° 543 of 24 June 2005). Therefore, they do not have the possibility to levy taxes. Thus, since 2007, there are only two levels of taxation: municipal and national.

This reform did not lead to a significant increase in the level of taxation at the local level. Reaching 24.81% in 2008, it will be 24.95% in 2020 (www.dst.dk).

Annex 9: Funding and competencies since 2019



Source: Danske Regioner, May 2020.

The 2007 reform led to the transfer of new competences to the benefit of the municipalities and consequently new resources according to the principle that the finances follow the competence. Another consequence was the reform of the equalization system to accompany the granting of new competences. Insofar as the regions are not financed by taxation, the reform ratified the passage from three levels of taxation to two.

The local resources are as follows:

- taxes (income tax, property tax and part of the corporate tax),
- capital income (service businesses, day care facilities, land sales),
- reimbursements (from the State, mainly in the framework of social services),

- general state subsidies,
- borrowing.

Appendix 10: Distribution of municipal resources in value

	2019, in DKK (1,000)
Income tax	251 249 879
Other taxes on certain income	863 387
Corporate income tax	9 928 672
Property taxes	27 409 692
Other real estate taxes	3 110 310
Other taxes	164
State allocations	24 463 019
Loans	0

Sources: https://www.statbank.dk/10021, accessed 30 May 2020; https://statistikbanken.dk/regk31, https://statistikbanken.dk/regk100, https://statistikbanken.dk/regkc, https://statistikbanken.dk/regk31, accessed 3 July 2020

In terms of expenditure, Danish legislation provides that the provision of certain goods and services is a municipal responsibility (heating, electricity, gas, water and waste disposal). However, the municipalities remain free to organise these services: creation of municipal companies or privatisation of the service.

In the case of some municipal services, municipal funding is partial. For example, in the case of day care services and institutions for the elderly, the municipalities finance about 70 per cent of the costs, leaving the rest to the users through monthly payments.

Annex 11: Municipal expenditure

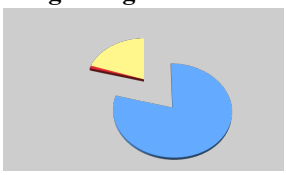
Billion DKK	2007 Budget	2019 Budget	Difference in value	Difference (%)
Total	203,8	368,5	+ 164,7	80,81
Local development, housing, environmental issues	5,4	6,2	+ 0,8	14,81
Transport and infrastructure	7,2	8,5	+ 1,3	18,05
Education (primary) and culture	54,6	66,3	+ 11,7	21,43
Health Services	14,6	30,6	+ 16	109,59
Social Service	91,1	219	+ 127,9	140,39
Overhead, administration	30,9	39,1	+ 8,2	26,54

Source: https://www.dst.dk/en/Statistik/emner/nationalregnskab-og-offentlige-finanser/kommuner-og-regioner/kommunernes-regnskaber, accessed February 2020.

The financing of the regions is unique compared to that of the municipalities. The state subsidy, which is the main source of funding for the Danish regions, is itself financed by a new health tax (8% of taxable income). The municipal contribution is paid for each hospitalization.

Generally speaking, the regions' competences are financed by four types of funds: a global endowment from the State, an activity income from the State, a global endowment from the municipalities, an activity income from the municipalities.

Annex 12: Funding of regions



Dotation globale de l'Etat (env. 79 %)
Revenu d'activité relevant de l'Etat (env. 1 %)
Dotation locale (env. 20%)

Sources: Dankse Regioner, January 2019.

Commenté [1]:

Annex 13: Expenditure by the regions

Billion DKK	2008 Budget	2020 Budget	Difference	Difference (%)
Social protection (hospitals, health insurance, miscellaneous expenses)	**88.482**	**117.441**	+ 28.959	24,66
Social competences and special education (social housing for the disabled and special education, various expenses)	**242**	**227**	-15	6,6
Regional development (public transport, cultural activities, economic and business development, education, environmental protection, miscellaneous expenditure)	**2.317**	**2.589**	272	10,5
Total	**93.151**	**121.263**	28,112	23,18

Sources: Danmarks Statistik, Finansministeriet og Velfaersministeriet, http://www.ism.dk/Publikationer/Sider/VisPublikation.aspx?Publication=291, https://www.statbank.dk/10188, accessed 30 May 2020.

Annex 14: The budgetary calendar for municipalities and regions

The budget year corresponds to the calendar year. The budget calendar is as follows:

1. The finance committee prepares the annual draft budget of the community for the following year before 15 October of the previous year. The draft is accompanied by multi-year estimates.
2. The project is subject to two reviews by the local council with a minimum interval of three weeks. The deadlines are set by the Minister of the Interior and Health.
3. During the second review, the local council discusses, amends and votes on the project.
4. The adopted plan is made public so that it can be monitored by the residents of the community.
5. Each local authority must appoint two professional auditors with the agreement of the superior authority. The audit shall cover all the accounts of the local authority.
6. The auditors shall present their audit report to the local council when requested by one quarter of its members.
7. The annual accounts shall be the subject of a report by the finance committee to the local council by a date fixed by the Minister of the Interior and Health.

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