



Mr. Liam Berney,
Irish Congress of Trade Union,
31/32 Parnell Square,
Dublin 1.

14 November 2018

Irish Water Transformation

Dear Liam,

As you will be aware, the Minister for Housing Planning and Local Government Eoghan Murphy T.D. recently received a report from the Director General of the Workplace Relations Commission (WRC) in respect of the process of engagement that was undertaken at his request with the parties involved in the transformation programme for Irish Water.

He had asked that the WRC would engage with the parties concerned and provide him with a report outlining key issues and concerns in relation to the transformation programme. As well as the Irish Congress of Trade Unions and relevant affiliated trade unions, the parties comprise Irish Water / Ervia and the County and City Management Association / Local Government Management Agency. The Minister has asked me to acknowledge the participation in this process by all of the parties, including by ICTU and the respective trade unions.

The Minister has now had the opportunity to reflect on the report from the WRC and to consult with his Government colleagues in considering the next steps to be taken which I am now conveying on behalf of the Minister to you and to the other participants in the process.

In examining the report, the Minister has been mindful of the comments from the WRC which accompanied the report noting that despite the importance of ensuring a workforce skilled in the effective delivery of water services, uncertainty about the next phase of transformation appears to be causing difficulties in staff retention and recruitment to water and waste water services at Local Government level. It was further noted by the WRC that the parties expressed their concerns that additional delay in clarifying the future structure for delivery of water services could exacerbate this situation, and consequently increase risks to the safe and effective delivery of water and waste water services over the medium term.



The Minister has noted that in commenting on the outcome of the recent process of engagement, the WRC report observed that all parties agreed that, because of their specialist skills and expertise, the continued involvement of staff currently engaged in the provision of services within Local Authorities was necessary for the effective provision, and continuity of service, of public water and waste water delivery. He acknowledges that the report notes that there are sharply differing views on whether staff should be transferred, in the absence of their agreement, to Irish Water.

Since asking the WRC to undertake the engagement exercise clarity has been brought in relation to future governance and operational arrangements for Irish Water. In July 2018 the Government decided that Irish Water would become a standalone publicly owned, commercial, regulated utility separated from the Ervia Group during 2023. Work in the preparation of a separation plan is currently underway. Having set out the future direction of Irish Water in this respect, the Minister thinks it is important that clarity is now achieved for all involved in addressing the issues arising with the transformation programme and that this happen without delay.

The Minister is requesting that the parties including ICTU and relevant affiliated trade unions engage in a process, assisted by the WRC, to develop a framework for the future, which would replace the current SLAs, with arrangements which:

- (a) Provide Irish Water, as the national water services authority, with the necessary control of operations, accountability and capacity to manage risk and communicate and negotiate with all water services workers on the change agenda and provide a single identity for customer facing services;
- (b) Ensure that Irish Water is not left without an appropriate skilled workforce to carry out its statutory functions and local authorities are not left with stranded costs; and,
- (c) Address the concerns of workers in relation to the future deployment of the current local authority water staff, by developing arrangements which meet the objectives set out in (a) and (b) above, while not requiring the invoking of Section 19 of the Water Services (No.2) Act, other than by collective agreement. (*Section 19 relates to the process of designation of local authority staff for transfer to Irish Water on termination of a SLA*).

The Minister is requesting that the parties would conclude this process to develop a framework by end February 2019 at the latest. In this regard, the Minister understands that while Irish Water remains committed to honouring the WRC Headcount Agreement of January 2016, the implementation of the Agreement has been impacted upon by the uncertainty around the current process as highlighted by the WRC. The progression of the current process by end February, will take due account of the need for the timely implementation of the Headcount Agreement of 2016 having regard to labour market conditions.



Water services are essential to the daily lives of our citizens and to our economy. We need to ensure that the best and most appropriate arrangements possible are in place for the delivery of these vital services. The Minister looks forward to your participation in this process.

Yours sincerely,

Maria Graham,
Assistant Secretary,
Water Division.