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EXECUTIVE SUMMARY



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Introduction:

Reclaiming the role of local authorities and local democracy

Local government is an important site for defending and extending democracy and full citizenship. To reach such potential requires explicit rebalancing towards direct local public provision in Ireland. Unions occupy an important public space. Public sector workers see first-hand the loss of trust in public institutions, which, alongside growing inequality, is contributing to new forms of populist politics across Europe. It is necessary to create a critical and oppositional space to reclaim the full social and economic potential of Irish local democracy including its important role as a local employer and economic driver. This short paper addresses how to enhance local authority provision of and local democratic control over public housing, water, refuse collection and energy policy concerning low carbon transition.

Investment in local government is pivotal to realising an equal distribution of economic growth and social development, enabling a more even spatial distribution of the benefits of economic recovery. Direct provision of local government services offers a pipeline of manual occupations,

local jobs means local consumption, which in turn leads to strong economic multipliers, which can act as a stimulus to local economic development. Developing new forms of local democratic control and delivery of public services is central to meeting 21st century challenges (Cumber, 2017). This means reversing trends of centralisation, executive direction, privatisation and austerity, all of which combined to undermine the vitality and capacity of local government in Ireland and the capacity for progressive forms of local delivery of public policy and local employment.

This paper seeks to both reimagine and demonstrate the value and relevance of local government in the delivery of key infrastructure and services in Ireland. We discuss how centralisation, executive direction, privatisation and austerity have undermined local democracy in Ireland. We make the general case for local government and democracy and against centralisation and privatisation and make recommendations for local government delivery in four key sectors; public housing, domestic refuse collection, water and energy/low carbon transition.

Four 'Dead Hands' strangling local government

Centralisation and the monopolising tendencies of national government has been a consistent experience for Irish local government (Callanan 2018, Quinlivan 2018). Functions have been lost, not only through outsourcing, but to central (for example water) or regional government, or to new quangos (including higher education grants (to SUSI) and driving licences (to NDRL). OECD (2009) recommend that every new service should be delivered at first consideration by local government.

Executive direction has occurred as new public management processes and changes in administration, evaluation and control mechanisms has increased bureaucratic power at the expense of political representatives, for example through public procurement process where transaction costs now reach €1.6 billion¹ and where processes are an impediment to delivery of public housing.

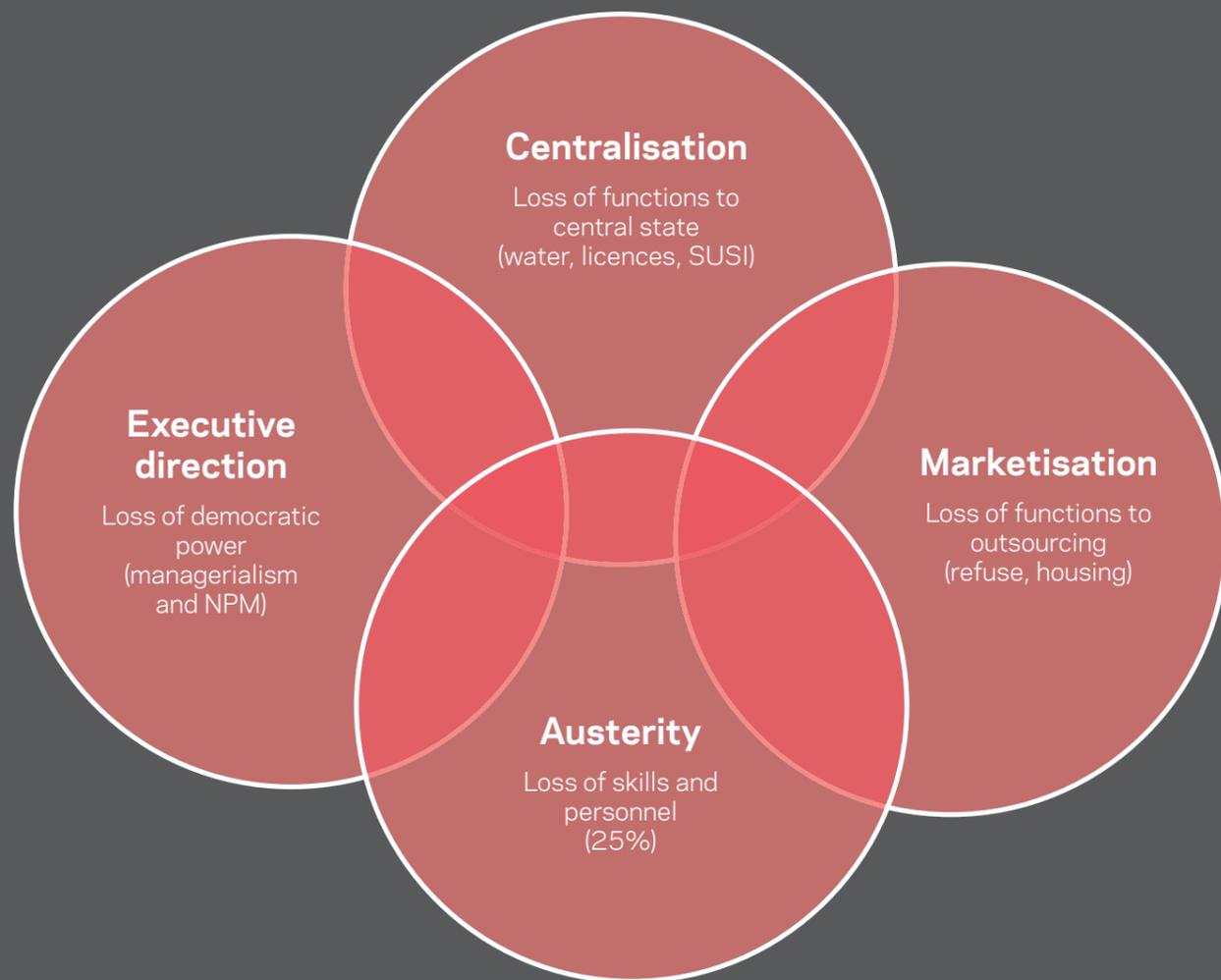
Privatisation occurs when local government services are marketised as in the case of domestic refuse services, this has not led to improved services for citizens but has led to poorer quality of employment for workers. Austerity has eroded by stealth of local authority capacity and downgraded it's scope, scale and skills. Declining

funding from central government, difficulties in collecting commercial rates as businesses struggled, and a drastic fall in revenue from development levies, has led to a viscous cycle of cumulative erosion of local authority power and capacity (Norris and Hayden 2018, Quinlivan 2017). This erosion makes rebuilding the power and function of local authority more difficult but also makes more urgent the challenge of restoring public democracy and public services.

Austerity meant not only budget cuts but also organisational configuration of state institutions and territorial, functional, financial, and managerial and efficiency, and participative reforms (Callanan 2016). In Ireland austerity not only meant less money and staff but also more centralised control of the bureaucracy and more standardised governance and accountability arrangements across the public service, in the form of micro-management (Boyle and O' Riordan 2013) and executive direction (Hardiman and MacCarthaigh 2013). Direct staffing levels dropped from a 2008 37,242 by 2018 to 28,224 (24.2%), ranging from Galway (34%) to Louth (15.7%). The nature of the early retirement package mean a loss of senior management, skills, functional capacity and institutional memory.

¹ <http://council.ie/public-procurement-in-ireland-a-critical-review/>

Figure 1
Local authority undermined by overlap of centralisation, executive direction, privatisation, austerity



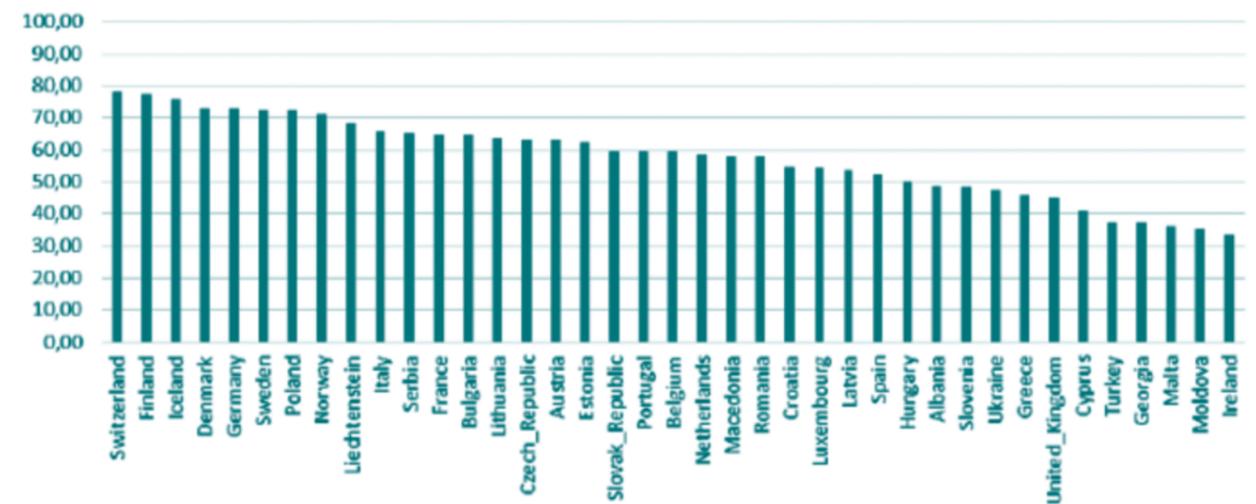
Irish local government – the poor cousin in Ireland’s democracy

Irish local government scores poorly on a number of assessments of relative strength; size and structure of local authority units; the institutions within local government; the balance of power between the administrative and elected parts of local government; the range of functions for which local government has responsibility; the relationship between central and local government; and the financial autonomy of local government.

All of this reduces its democratic legitimacy. The net effect of recent reforms has been to further limit, relative to international practice, the functions and competencies of Irish local government. 2014 changes abolished town councils so that only Ireland now has only 31 local authorities (Quinlivan 2017, Callanan 2018). Ireland is now last in the international index of self-autonomy.²

Ireland has far fewer local municipalities than the other countries illustrated, with only one city or county council for every 148,517 people (far lower in other similar small sized states). Ireland also has structural weaknesses and inconsistency in structures, with significant inequality of representation (with little sub-county representation, outdated boundaries, fragmentation and duplication of functions). On average across the EU 23.1% of public spending occurs at local government level compared to 8% in Ireland. Denmark, the highest at 65.9%, has eight times more public spending at local level. Investment in Irish local government expenditure is not only low, up to a quarter of the budget is not under control.³ The implications differ across Ireland; some funding sources are more meaningful for larger local authorities who can run surpluses while smaller rural authorities often run deficits.

Figure 2
Local Autonomy Index: Country Ranking 2014



² This index uses seven categories (legal protection, organisational autonomy, and institutional depth, fiscal autonomy, financial self-reliance, borrowing autonomy, and financial transfer system, and administrative supervision, central or regional access) to assess self-autonomy
³ Size and structure of local authority units; the institutions within local government; the balance of power between the administrative and elected parts of local government; the range of functions for which local government has responsibility; the relationship between central and local government; and the financial autonomy of local government.

Figure 3
Local government expenditure as a percentage of general government expenditure

County (EU/EEA)	Number of local municipalities	Local gov exp as a % of general govt. spending	Average population per unit	Population	Area
Denmark	98	65.9%	57,421	5.6 million	42,921 km ²
Sweden	290	51.1%	33,258	9.6 million	438,574 km ²
Finland	313	40.2%	17,416	5.5 million	338,435 km ²
Norway	428	33.5%	11,897	5.1 million	32,387 km ²
Netherlands	390	31.1%	43,152	16.8 million	41,540 km ²
United Kingdom	419	23.7%	153,480	64.3 million	248,528 km ²
European Union (current composition)		23.1%	-	-	-
Euro area (19 countries)		20.4%	-	-	-
Ireland	31	8.4%	148,517	4.6 million	69,797 km ²

Source: Eurostat gov_10a_main

Irish local authorities have a narrower scope than local authorities do internationally; functions (grouped into eight programmes) revolve around physical infrastructure, environmental issues and recreational facilities. There are few social or care services, primary or specialist education, health or public employment services and over time 'local authorities are seen as less and less engaged in direct service delivery to local citizens' (Boyle and O'Riordan 2013). This has impact in terms of democratic engagement with declining voter turnout in urban and rural areas.

However, local authorities remain relevant and still encompass a range of vital services, from cemeteries, to dog licences, to traffic management, parks, and recreation: much of our daily lives still depend on local authority services. Our public library illustrates what a trusted and

valued locally delivered and democratically controlled community can look like, and how such services can facilitate a wide range of social, economic and cultural development, local democracy and participation. With smart use of technology, the public library is a sustainable, integrated public service valued by 80% of citizens with increased visits and borrowing rates. Local government administered driving licences had a speedy turnaround with next day delivery, while the technological innovation in motor tax services has been lauded. Historically local government oversaw significant public building programmes in both affordable and public housing delivering, for example building over 9000 houses in 1975 alone and over time providing 365,350 council houses and flats or one quarter (22.2%) of the total Irish housing stock.

Reimagining and restoring local democracy in Ireland

Local government affects the experience of workers and citizen's quality of life as well as their power to influence local services. It also impacts on the strength of the local economy and the quality of local employment. When invested in and nurtured Irish local government performs, in a low carbon future shared local public services help us live more sustainable lives. The Council of Europe (2013) strongly criticised Ireland for its lack of constitutional protection for sub-national government and stressed its importance in articulating shared community interests, and factoring local history, geography, political culture and economy into its decision-making processes. Local and municipal services are at the heart of the European model of democracy.

Moreover, communities, residents and workers throughout the world are increasingly challenging the degree to which public services have been outsourced to the private for profit sector. Kishimoto and Petitjean (2016) identify 835 examples of municipalisation in 1600 cities in 45 countries, but none in Ireland.

Locating services in local government brings down costs and tariffs, improves conditions for workers and boosts service quality, while ensuring greater transparency and accountability (ibid p 11), but also contributes to new social, economic and environmental change as well as new forms of and deeper or wider democracy. Over four decades of privatisation offers a statistically significant range of evidence of the failure of privatisation projects to deliver on promises of improved investment, performance and efficiency (Hearne 2011).

The innovative Australian Peoples Inquiry into privatisation (Herthington 2017) offers a holistic overview of the damage to workers and citizens, especially the most vulnerable citizens, when public services, particularly local public services, are privatised. The benefits from deprivatisation, remunicipalisation, or re-establishment of public services⁴ range from improved quality of services and greater financial transparency. Crucially from a democratic perspective, the local authority regains operational capacity and control.

Terzis (2016 p 810) has an overall positive assessment of the benefits to workers of local authority based provision which reverses the diminished quality of work associated with privatisation and outsourcing. Many public sector unions have led campaigns for local authority led services (PSI and EPSU lead the Right 2 Water campaign, German trade union ver.di led the 'Public is Essential', and Australian public sector unions led The Taking Back Control initiative.

Basing service provision in local authorities also means more capacity to implement equal opportunity employment and positive discrimination policy (Hetherington 2017), to implement progressive codes of practice, monitor health and safety and enhance economic democracy.

Local democracy is also important from an equality perspective including gender equality. Local authority led provision has more capacity to meet environmental and equality objectives and, from an efficiency and equality perspective, to

⁴ Bergen in Norway found bringing nursing homes back into public ownership generated a surplus of 500,000 instead of a loss of 1m, while in London ending local transport PPP has generated savings of £1b. In Chiclana Spain p16, €215m budget savings over three services enabled the redeployment of 200 workers into better quality public sector jobs.

integrate public services and provide affordable services, both of which are crucial for local authorities to meet their public duty to promote human rights and equality (IHREC 2014).

Local authorities can also work with participative processes like Public Participation Networks (PPNs). Putting delivery into public ownership

means investing in the local economy (Becker 2017, p118), it does not mean repeating the past but imagining new future forms of democratically controlled services and greater mobilisation of citizens who use such services. Internationally referendums and other participative mechanisms have anchored many campaigns for local services.

Public housing

Local authorities maintain crucial housing and planning functions which are too numerous a complex to address here. Here we focus on how to protect and enhance the direct provision of public housing by local authorities⁵. The shift away from the role of local authorities in provision of public housing has been a long term trend which began in the 1980's (Norris and Hayden 2018). The traditional provision of council housing has been displaced by the growing importance of private sector rental subsidies including the most recent Housing Assistance Payment (HAP), which Rebuilding Ireland (2016) positions as the primary provider of social housing by 2021.

Ideology, management challenges associated with the ongoing residualisation of social housing, and limited political power of low-income households all play a role in driving the strategy to marketise what was once public housing. Unreformed, the underlying model for local authority housing incapacitates and limits potential to not only meet direct build targets but to innovate and utilise existing grant and support (Norris and Hayden 2018).

Given the loss of many technical staff many basic management and void related services are now outsourced, this is not efficient. More capacity would enable more preventative maintenance, less voids and more proactive and effective use of SEAI retrofitting grants which presently many LA's have insufficient resources to utilise. What is needed is a reinvigorated sustainable public

Figure 3
Social housing provision



Source Norris and Hayden 2018

housing model. From the perspective of the citizen and worker, secure social housing social housing is infinitely preferable to insecure private sector housing (Hearne and Murphy 2017). Cost rental models of accommodation are at the heart of a sustainable model, in practice this means changing the financial rental, letting and maintenance model for public housing provision and making this new model the primary vehicle for delivering public housing (Norris and Hayden 2018).

Recommendation:

Government should seek to constitutionally protect local government. Directly elected mayors can play a key role in a reimagined local government system, clarity about roles, function and powers and relevant legislative changes to facilitate directly elected mayors should be progressed immediately.

In 2020 government should restore the town council system of sub-county government and do so in a way that achieves territorial balance. Local government needs increased revenue and funding powers. Increasing the percentage of public expenditure that is channelled through local authorities from the present low of 8% so it moves towards European average 22-23% would translate into local employment and local economic drivers.

Increased financial authority requires parallel systems of accountability, transparency and democratic input including for example participatory budgeting and forms of equality, gender and sustainability proofing.

Recommendation:

In the short term investment can enable less outsourcing of local authority short-term and long-term maintenance functions; employment of direct labour can enable more preventative maintenance, effective void management and proactive use of SEAI retrofitting grants. In the medium term a new local authority led public housing financial model for public housing which changes the funding model to a cost-rental model, with no right to buy or successor policy, and adequate down-sizing capacity alongside supports for local sustainable communities for diverse families across generations.

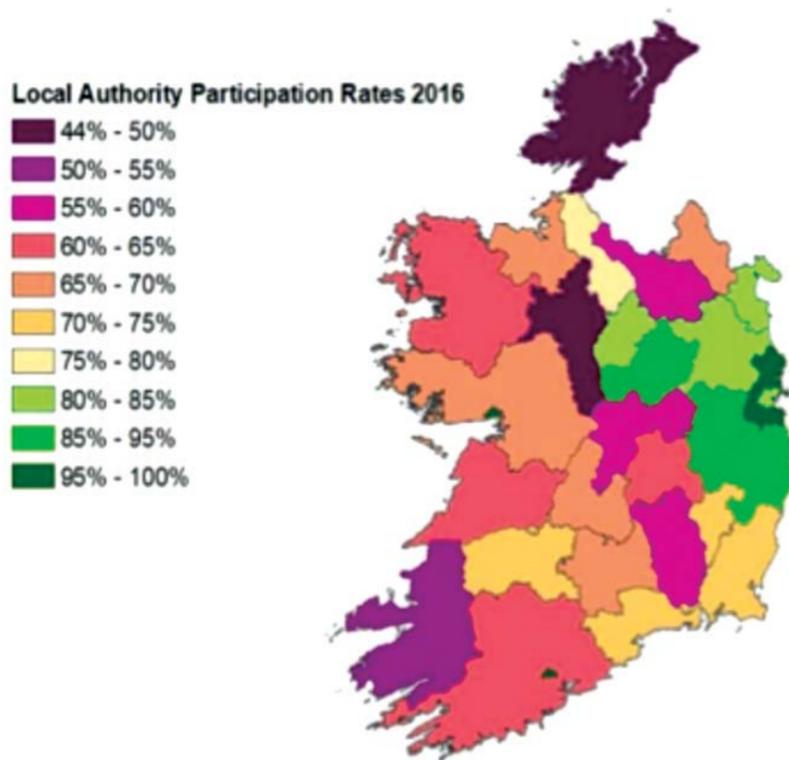
⁵ In 2017 ICTU's called for a local authority led emergency response to the housing crisis. NERI (2017) called for a cost rental models for affordable housing as did NESC (2014).

Refuse collection

While many councils faced with an unviable business model for domestic refuse exited waste management it is now clear that privatisation has had a number of negative consequences including increased charges, a decline in recycling and an increase in fly tipping and dumping. In Ireland the national waste collection permit system results in a side-by-side 'quasi market' which is problematic and poorly regulated with environmental and other costs. Private refuse services are not only unaccountable but the side-by-side model leads to cartel like private bin collection services which have proved uncompetitive, inefficient and unable to provide affordable services or consistent coverage.

The lack of competition is evident in that only 20 main operators service 90% of households that avail of a collection service. 18% of households nationally, and 25% in the Dublin region, do not have a choice of provision from multiple suppliers, while 23% of households do not have a waste-collection service at all. This leaves room for a significant number of illegal practices (Goggin 2018). An estimated 5% or 80,000 domestic households dump and burn waste and rogue operators with no waste collection permit engage in illegal dumping or fly tipping.

Figure 4
Household waste collection coverage



Source: CCPC analysis of NWCPO and CSO household data

This happens in both urban and rural areas, with up to 64,000 tonnes unmanaged with the ultimate clean-up costs borne by local councils and an increasing likelihood that Ireland will miss 50% EU recycling target under the EU Waste Framework Directive (EPA 2018).

The Competition and Consumer Protection Commission (CCPC) recent report on waste market (Goggin 2018) highlights the degree to which the unique Irish waste management market, operating a "side-by-side" licensing permit model, is highly inefficient in enabling a competitive market. Goggin concludes domestic waste collection is "a natural monopoly" and needs to be regulated to abolish side-by-side services so that citizens have a guaranteed affordable service.

Goggin (2018) argues government should establish a 'regulator for household waste collection' (to include the functions of economic-licensing, data-collection and analysis, market design and consumer protection). A regulatory framework can also create conditions for local authorities to re-enter domestic bin collection. A Cost Benefit Analysis may produce a strong case

for a new financial and charging model with the local authority as central provider of refuse collection. This would be in line with local authorities across Europe who are municipalising waste management, (Scotland for example having privatised then remunicipalised with a different economic model). The function of any regulatory authority should include a culture of health promotion and education service to highlight hazards of internal domestic burning which can trigger respiratory and other health problems. A local authority led regime could also consider compulsory subscription to a local affordable bin service. Finally, from the local authority workers perspective most of the members in waste management are now waste enforcement officers. A regulatory regime allows their qualifications to be recognised in meaningful roles.

Recommendation:

Outsourcing waste collection was driven by the commercial viability of the charging regimes as well as other factors (including the Poolbeg Incinerator). Crucially this was not driven by local government inefficiency or workforce considerations. It is possible to imagine a local authority led professional, affordable environmentally friendly, cost efficient and citizen friendly service, which has the potential to generate local multipliers in local economy. There is also demand from customers who want the service to return to local authorities. What is first required is the regulation of the waste sector to ensure every household is guaranteed an affordable waste disposal service; this is a necessary precursor to direct provision.

Water

Water needs to be understood as a public good that is essential for public health and well-being. The 2002 European Water Directive or framework placed a new focus on environmental and financial sustainability, this market environmentalism lodged the market logic in environmental policy along with the use of price signals, charges, and polluter pay principles and encouraged market based provision. Ireland has had a low level of investment in water infrastructure and up to 2015 45% of such investment was delivered through PPP's (the 2nd highest in EU next to Greece (Dukelow 2016). Over 2014/5 as water was centralisation from local to national level, investment has increased and Ervia has discontinued use of PPPs (albeit many such contracts remain valid).

Public control over the level of such investment is essential; hence, the public demand to guarantee public ownership of water into the future and the specific demand for a constitutional referendum. Various water related referendums have been conducted at municipal level across Europe and have been important rally points for public education and deliberation. National level referendums (non-binding) have been conducted in Greece and Italy, but in Slovenia the constitution has been amended to include the right to water (14 other countries globally have this constitutional right). From the citizens and users perspective there is a clear public democratic

deficit concerning user's water rights and service delivery. A constitutional referendum can consolidate the role of the state, national and local, in the provision of water and do this from a rights perspective.⁶ While Evira is now in place, and the question of charges is politically settled, there remain issues concerning service level agreements that cover exiting provision of water services from the local to central levels and the role of local authority staff in water management⁷.

The referendum is key to protecting the public sector status of workers in SLAs with Ervia. A Referendum can ensure, not only the right to water, but can keep Ervia in public ownership as a state-run commercial or non-commercial state entity. Workers concerns vary with age and loss of promotion channels is a key issue for many; for many workers it is essential that Ervia must be a single state run public utility incorporated into public sector wage agreements. The Joint Committee on the Future Funding of Domestic Water Services supported the concept of a referendum on the issue of water services continuing in public ownership as a protection against any privatisation. A November 2018 Ministerial a memo to cabinet to proposed a May 2019 referendum to stipulate that ownership of a water services authority must be retained by the State or a State-controlled body. Wording is now with the Attorney General.

Recommendation:

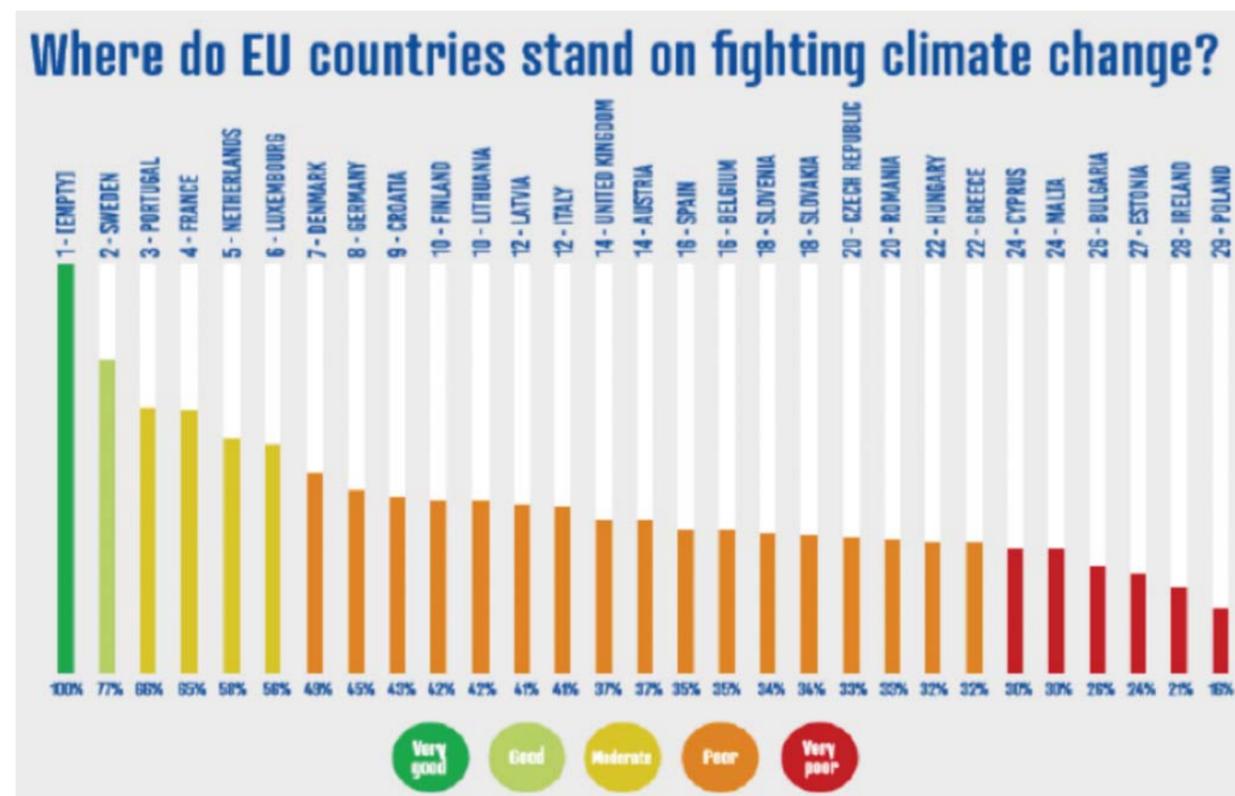
A constitutional referendum on the Right to Water should be worded in such a way to ensure Ervia remains in public ownership. The right to water can be made real through a local authority delivered water customer service as in the Flanders region.

⁶ **Samenlevingsopbouw Antwerpen Provincie** is a 2014 framework project for the Flemish Minister for the Environment, on water and poverty which uses a rich dialogue based methodology to consult vulnerable clients? Their recommendations, based on individual cases, individual contacts with the people from target groups and group discussions, mostly relate to improvements in the attitude of water providers in relation to the realization of access to quality water for all.

⁷ The future of SLA's between Ervia and Local Authorities was the subject of a September 2018 report to the Minister from the Workplace Relations Commission Central to the issue of resolving SLA's (due to expire in 2021) and the future of public sector workers who are presently employed in local authorities is a commitment to maintain their status as public sector employees who benefit from present and future public sector wage agreements.

Energy

Figure 12
Ireland's international ranking for fighting climate change



Source: Climate Action Network (CAN) Europe, Off Target: Ranking of EU countries' ambition and progress in fighting climate change, June 2018

Ireland is ranked second last (after Poland), for fighting climate change and low-carbon transition. Governance arrangements for the Sustainable Development Goals National Implementation Plan 2018-2020 stress the role of local government in translating national policies into tangible practical actions in individual and communities' behaviours and goals.

The role of the local actor is a recurring theme in academic literature concerning sustainability (Felber 2013). Local drivers are needed in education and proofing, in driving recycling and in driving a circular economy. With structures such as the Local Community Development Committees (LCDCs), Strategic Policy Committees (SPCs), Public Participation Networks (PPNs) can also play

an important role in this process and raise awareness of the general public and community groups. Cumber (2017) argues new forms of power in local or regional alliances can disrupt international and national vested energy interests. Local decentralised forms of energy supply can limit disruptive impacts of climate change. State based investment is central to realising new forms of renewable energy. In many countries processes of local democratic participation recognise the degree to which innovation needs to be vested in the 'local' and in public ownership which can generate community buy in, engagement and ownership in transition processes. Local authorities and relevant regional assemblies play a key role in coordinating relevant activities related to the National Dialogue on Climate Action. This means creating structures and information flows to facilitate people gathering to discuss, deliberate and maximise consensus on appropriate responses to low carbon challenges.

Local authorities have a key role in promoting and implementing energy efficiency measures and these have other potential benefits including fuel poverty and public health. Reducing energy use in the built environment can occur at Design,

Acquisition and Use stages and SEAI are piloting various ways to promote energy efficiency in the Better Energy Programme. Two measures are of particular relevance to local authorities; Measure BE3 - Rental Sector - Housing Assistance Package is a pilot scheme to encourage landlords participating in the Housing Assistance Payment to avail of the Better Energy grants. Measure BE7 - Social Housing provides for energy efficiency upgrades to be undertaken by local authorities to social housing stock. Local authorities have a clear promotion role for all other Better Energy measures (1-8). Resources are needed to enable local authorities play their role in shifts to renewable energy. The Citizens Assembly report, *How the State can make Ireland a Leader in tackling Climate Change* (2018), addresses the role of enabling communities initiate local based renewable energy solutions by selling back into the grid of electricity from micro-generation by private citizens and ensuring the greatest possible levels of community ownership in all future renewable energy projects. The infrastructure for this should be developed by local government.

Recommendation:

Investment is needed in local authority environmental and sustainable energy staff infrastructure to ensure sufficient capacity to enable maximum use of the SEAI Better Energy programme (BE 3 (private rental) and BE 7 (social housing)), support renewable energy. The existing LARES framework can advance Citizens Assembly recommendations to facilitate micro generation and community ownership of renewable energy projects. In line with the National Dialogue on Climate Action local government has a key role in citizen education, county 'targets' could mobilise towards low carbon transition.

Conclusion

This paper makes a strong argument for investing in local public control and delivery of local services and infrastructure.

This means shifting the dead hands of the central state, executive direction and the private market, and addressing the impact of austerity, which together have been strangling local government in Ireland.

Workers in local authorities fear that local government is becoming only a figure head, that it is not about delivering substance, like water, housing or other public sector goods, that are essential to underpin sustainable communities and promote local economies as well as the principle of subsidiarity at the heart of real local democracy.

A strengthening of local government functions, powers and capacity offers a pathway to a sustainable future of inclusive growth and dynamic democratic communities and work places.

Recommendations

<p>Local Government</p>	<p>Legislative changes to facilitate directly elected mayors should be progressed immediately</p>	<p>Restore sub-county government through a territorially rebalanced town council system</p>	<p>Maximise local employment and economic potential by increasing the % of public expenditure channelled through local authorities from the present low of 8% towards European average 22-23%</p>
<p>Public housing</p>	<p>Investment in direct maintenance staff</p>	<p>A new local authority led public housing financial model which changes the funding model to a cost-rental model</p>	<p>Referendum for right to housing</p>
<p>Waste</p>	<p>Address fly tipping</p>	<p>Regulation of waste management to ensure abolish side by side and guarantee all households an affordable waste collection service</p>	<p>Direct entry of local authority into regulated waste management service</p>
<p>Water</p>	<p>Local authority led citizens water advocacy</p>	<p>Ensure public service conditions of employment in all SLAs</p>	<p>Referendum for right to water and public ownership water infrastructure</p>
<p>Energy</p>	<p>Advance National Dialogue on Climate Action through local government citizen education and county low carbon transition targets</p>	<p>To advance LARES invest in environmental and sustainable energy staff infrastructure</p>	<p>Advance Citizens Assembly recommendations to facilitate micro generation and community ownership of renewable energy projects</p>



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