LOCAL PUBLIC SERVICES IN CRISIS MODE: ADAPTING GOVERNANCE MODELS TO EXCEPTIONAL TIMES

Emergency Governance for Cities and Regions

March 2022

UCLG
United Cities
and Local Governments

metropolis

LSECities

LSE
THE LONDON SCHOOL
OF ECONOMICS AND
POLITICAL SCIENCE

POLICY BRIEF

5

THE INITIATIVE

This Policy Brief is part of the Emergency Governance Initiative (EGI) led by United Cities and Local Governments (UCLG), the World Association of the Major Metropolises (Metropolis) and LSE Cities at the London School of Economics and Political Science. This Initiative investigates the institutional dimensions of rapid and radical action in response to complex global emergencies. The EGI aims to provide city and regional governments with actionable information and appropriate frameworks, knowledge and resources to navigate the new demands of leading responses to complex emergencies.

POLICY BRIEF #05

This is the fifth in a series of regular publications that complement the more data-driven Analytics Notes. Policy Briefs focus on forward-looking propositions, reform agendas, governance innovations and critical perspectives.

ACKNOWLEDGMENTS

FOREWORD

Emilia Saiz, UCLG Secretary General and *Octavi de la Varga, Metropolis Secretary General, reflect on the guiding principles for the provision of local public services and present us with a 'call to arms' for a future beset by complex emergencies.*

The onset of the COVID-19 pandemic in 2020 marked a turning point in human history, including for one of humanity's most significant and complex creations: our cities. Two years after the first outbreak, it has become blatantly clear that the key to facing not only sanitary emergencies like COVID-19, but other complex emergencies like the climate crisis, indeed lies within them. Ensuring that all populations have access to water and sanitation, electricity, waste management, or safe means of transport while keeping public service workers safe, were and are determining factors to overcome the pandemic. A significant number of the measures widely adopted to curb its spread, such as handwashing or 'stay at home' policies, required maintaining local public services and safe public spaces, and ensuring that populations could access them. Local and regional governments all around the world have stepped up to the magnitude of the challenge. They have led innovations to ensure the safe continuation of local public service provision to protect lives and livelihoods, at times even expanding service coverage. Yet they have done so facing major challenges and often incurring large deficits that pose critical questions for the future.

Furthermore, the pandemic has also accelerated the necessity to broaden our understanding of what local public services need be in our present times. It has brought to the forefront how there are services that need to be considered new essential public services to recover from the current crisis, but also to build up resilience to future ones, which experts alert will become more frequent. While also advancing communities' right to a dignified urban life. Ensuring that everybody has access to healthy cities and territories, universal healthcare and vaccination is essential. Culture, the fourth pillar of sustainable development and a vital element of our cities and territories is essential. Putting technology at the service of communities and democracy, by ensuring access to the internet and actively bridging the digital divide between urban and rural, genders, and generations, is essential. Creating an enabling environment for women and girls to be represented in decision-making and ensuring equality in all dimensions of life is essential. As is rethinking caregiving activities by putting at the centre of our policies those who need care, recognizing their different experiences, needs and rights, and, importantly, the people –mostly women – who care for them, improving their working conditions and livelihoods.

The stakes are as high as can be, and the challenges are not minor. Ensuring that local public service provision is universally accessible, inclusive and affordable is crucial for the fulfilment of human rights. As well as at the heart of the Agenda 2030 pledge to leave no one behind. This is particularly important for structurally discriminated populations, including women, whose life quality and opportunities directly depend on the quality and accessibility of local public services. In emergency contexts, local public service provision simply becomes a vital, foundational element of effective emergency response. And indeed, of emergency preparedness. It is thus crucial that we ask ourselves: what are the key lessons to be learned from how local public services have coped in an emergency situation? Are all the ways of providing local public services equally equipped to face complex emergencies? What reforms are needed to strengthen the capacity of local public services to protect our communities, and particularly, those populations most vulnerable to the impacts of emergencies?

Ultimately, the responsibility for ensuring all populations do have access to quality local public services lies with the state, and in particular, with local, metropolitan and regional governments. Despite the front-running role played by local and regional governments to address the COVID-19 pandemic, recovery strategies and national service delivery frameworks still fail to consistently account for the investments necessary to ensure and reinforce local public service provision. Cooperation between national, local, metropolitan and regional governments, as well as alliances with local actors, are critical for upholding such responsibility. As we move into the future, reinforcing the capacity of our local public service systems will define how cities and territories can mitigate the negative impacts of complex emergencies on their populations. The time is thus ripe to join forces and make these systems as robust as possible.

Emilia Saiz Carrancedo
Secretary General, United Cities and Local Governments

Octavi de la Varga Mas
Secretary General, Metropolis

1. INTRODUCTION

Public services – such as education, healthcare, and water and sanitation – underpin many fundamental human, social, cultural, economic, and labour rights. Because they are essential for sustaining life, they can be subject to certain public service obligations. Unlike other services, local public services would be delivered differently – or would not be delivered at all – without the intervention of the competent public authorities. Thus, although they can be delivered by public, private, community, informal or mixed/hybrid operators, **the responsibility for 'providing' local public services lies with local, metropolitan, and regional governments.** As Oakerson and Parks (2011) put it:

"Provision means public decisions about which goods and services to provide by public means, which private activities to regulate, how much public revenue to raise and how to raise it, what quantities of each service to provide and what quality standards to apply, and how to arrange for and monitor production. Production means transforming input resources to make a product or render a service."

(p. 149) Policy Studies Journal 39(1), 147-167.

Due to capacity and funding constraints, local and regional governments may not always be able to fully meet their responsibilities as providers. When this happens, people tend to take matters into their own hands and establish informal or exclusionary private systems of service provision. Apart from these extreme cases, however, **a wide range of governance models is available to cities and regions** for the delivery of local public services. The following section includes a brief illustration of some of the most common models within this range.

In theory, it is the responsibility of local and regional governments to uphold the principles of equity, universality, service continuity, accountability, sustainability, etc. and to guarantee that residents and users have equitable access to adequate and safe public services, regardless of the governance model of the operator. In practice, **the question of whether all governance models are equally equipped to deal with complex emergencies remains open.**

This Policy Brief does not attempt to determine which governance models are better suited to particular local contexts. Although there may be relevant technical arguments to inform these decisions, ultimately the choice of a particular model should be made democratically by each local community. **The focus of this Policy Brief is on governance innovations, organisational responses and other developments already taking place on the ground** that – irrespective of their governance model – can help inform local public services around the globe in relation to their readiness and effectiveness to respond to complex emergencies.

By reviewing cases of how local public services worldwide have dealt with the COVID-19 crisis, the Policy Brief aims to extract **lessons that may be useful in facing future emergencies** – including the climate crisis, which poses huge risks to the

sustained provision of public services to all. To unpack how public service operators navigated the competing priorities posed by the pandemic, it also relies on a more detailed analysis of the cases of welfare and social care services in Kempen (Belgium), energy, sanitation, gas and water with household waste removal and telecommunications subsidiaries in Medellín (Colombia), and water in Terrassa (Spain).

MAIN FINDINGS

— The impact of the pandemic on local public services has been heterogeneous and multifaceted, both across sectors and country contexts. Challenges included **increased demand for some public services and reduced demand for others, loss of revenue, and the urgency to digitalise user services and protect workers** in rapidly changing and uncertain conditions.

— Many public service operators had to reorganise their internal structures and operational procedures, such as **data collection and information management, new communication and coordination channels, staff re-deployment mechanisms, and temporary infrastructure interventions,** to ensure continued and widely accessible public service delivery during the pandemic.

— Public service delivery mechanisms were adapted and expanded to protect the most vulnerable residents. **Where channels for citizen input and participation existed within service governance models, this was more effective,** for example in the case of the Terrassa Water Observatory (Spain) or in the case of well-practised social **dialogue mechanisms and structures with workers and trade unions in social care services** in Kempen (Belgium).

— As a result of increased demand and staff shortages due to workers' illness, **operators had to respond flexibly,** re-allocating staff to areas of most need. **Some operators were at an advantage due to pre-existing partnerships and consortiums** with other local providers (such as in the case of Welfare Care Kempen, where they were able to work collaboratively across public institutions at the inter-municipal scale).

— **Strong dialogue, cooperation, and coordination both internally, and externally with other service operators and government administrations**, proved to be significant in enabling **responsive, effective and uninterrupted service provision**. Multi-utility providers such as Empresas Públicas de Medellín (Colombia) were able to streamline coordination across multiple sectors.

— During the pandemic, the critical importance of some public services became increasingly apparent. Beyond **care services, digital broadband connectivity and safe public space came to be seen as 'new essential services',** paramount for people's health, wellbeing and equal opportunities in an era of remote working and virtualisation of everyday life.

2. RESEARCH APPROACH

After providing a brief overview of some of the most common governance models employed in the delivery of public services in cities and regions, this Policy Brief reviews the different impacts the COVID-19 emergency has had across different sectors. The research was structured around three axes at the heart of the emergency governance of public services provided by local and regional governments:

– The immediate operational responses to the emergency of different public service providers

– The governance adaptations and innovations that helped local public service providers adjust to the unprecedented challenges posed by the pandemic

– The future threats and opportunities for the governance of public services in cities and regions in the age of emergencies

To explore these dimensions, the analysis combines **secondary research** (linked throughout the document) with original **in-depth interviews of key stakeholders** involved in local public service provision in three case-studies: (1) welfare and social care services in the Kempen region (Belgium); (2) electricity, sanitation, gas and water in Medellín (Colombia); and (3) water in Terrassa (Spain). The rationale for selecting these cases was as follows. First, they all encompass public services which are usually under the jurisdiction of cities and regions. Second, each case was drawn from a different sector – all particularly exposed to the impact of a complex global emergency and/or crucial to emergency response and resilience. And third, each case-study is

illustrative of different governance arrangements (see detail in Section 2.2.): an operator delivering services to one municipality in a single sector (Terrassa), intermunicipal cooperation in a single sector as well (Kempen), and a 'multi-utility' operator providing a range of public services to several cities and regions in different countries (Empresas Públicas de Medellín).
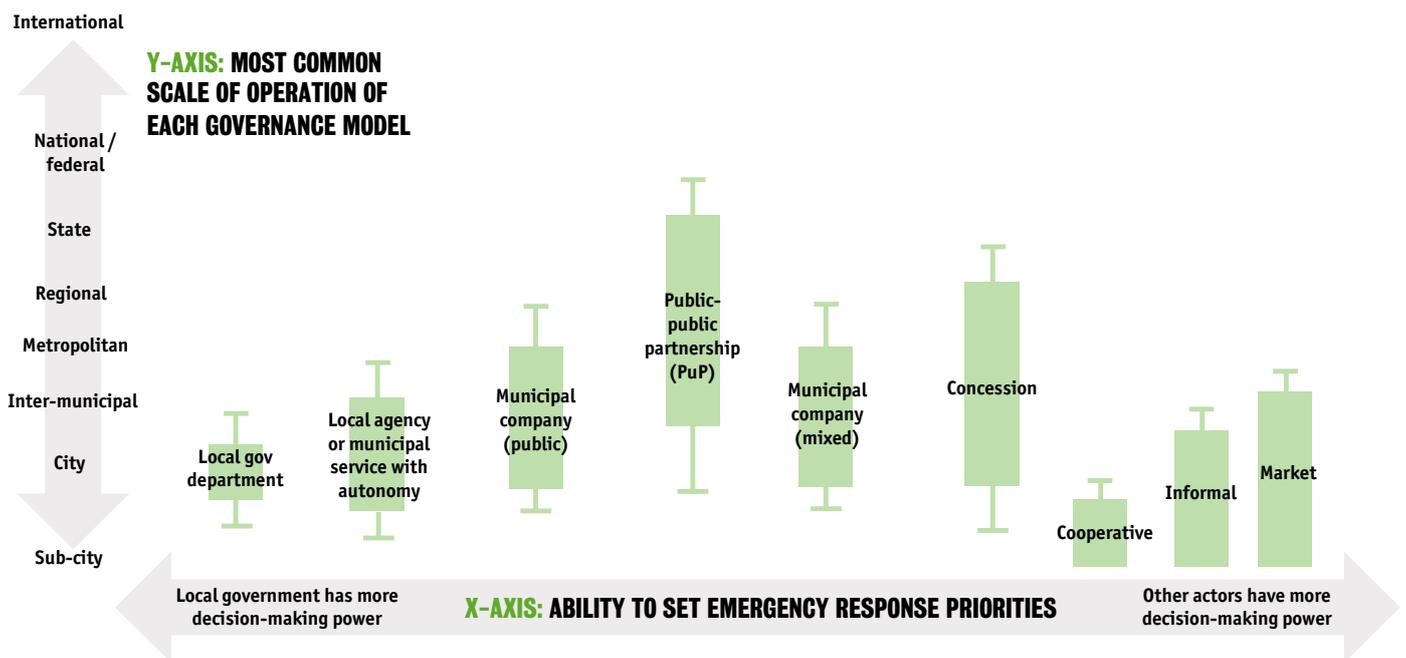
2.1 GOVERNANCE MODELS

The provision of local public services can range from in-house delivery (for example, by a local government department) to fully private delivery (for example, private companies operating the profitable segments of public services). But between these two extremes, a vast number of intermediate and hybrid governance models exist (see a non-exhaustive inventory in Figure 1).

Direct provision can be carried out by **municipalities** or by semi-autonomous public entities with administrative independence and separate balance sheets (local government **agencies or municipal services with autonomy**). In these cases, local governments retain the ability to decide on investments, set tariffs and define quality standards, while keeping direct responsibility for financing operations (for example, salaries and fuel) and raising funds for capital investments (for example, building new infrastructure).

Alternatively, local and regional governments can delegate responsibilities to separate entities (indirect provision). To maintain public service provision under public control while keeping the management at 'arm's length', local decision-makers can opt to establish a 100% public **municipal company** (for example, owned by a single municipality, a group of

Figure 1. Range of common governance models for local public services*

* The positioning of each governance model in this graph is a rough representation and merely indicative. It represents the most common geographical scale of operation (vertical axis) and the influence of sub-national governments vs others (horizontal axis) for each model. As our case-studies show, these are not definitive classifications. In reality, each governance model is unique and will be contingent on local context (for example, constitutional arrangements, legislation, historical factors, administrative capacity, etc.).

neighbouring municipalities, or by a metropolitan or other sub-national authority). The rationale for the creation of public enterprises is to craft a public governance structure that incorporates certain features of private enterprises (for example, targets, incentives for efficiency, flexible human resource management, or the use of accelerated procurement procedures). In some cases, the share capital of municipal companies is open to the private sector for the creation of a joint venture – this is usually called the **mixed company model**. The idea behind these institutionalised public-private partnerships (PPP) is that the public sector regulates and oversees the partnership from within. Though often not realised, the aim is to benefit from private sector know-how and finance whilst the public sector ensures the pursuit of social goals in public service delivery. Another example of joint ventures for the delivery of local public services is the **public-public partnership (PuP)** model. Though different definitions exist, this model typically refers to instances where different 'types' of public entities, or public authorities from different spheres of government (for example, local and central administrations), create a third corporate entity with joint ownership to deliver services. PuPs can also refer to forms of solidarity-based collaborations between two or more public authorities or utilities to improve the capacity and effectiveness of local public service delivery through peer learning and support, including on technical assistance, institutional capacity, training, and human resources.

When service delivery is delegated to a private entity, this is usually done through a purely contractual PPP. These long-term contractual arrangements can take many forms, such as leases and management contracts, as well as **concessions**. In this governance arrangement, the private partner is compensated for delivering the services based on a written contract with the city or the regional government (the main mechanism through which the public sector can regulate the partnership with the private partner). If this 'regulation by contract' is flawed and the service provider fails to deliver, these models can lead to significant challenges regarding cost to the public sector and services users, as well as transparency and accountability issues, problems with the public control of critical assets, equitable access, and quality of service.

To a lesser extent, local public services can also be delivered by **cooperatives**. These non-profit entities owned and managed by users tend to occur in very small-scale, hyperlocal settings and/or in rural areas. The model has, however, been gaining traction in care services and in the renewable energy sector. More prevalent than the cooperative model is the emergence of **informal providers and/or small to micro-enterprises** occupying the spaces beyond the reach of the state, especially in the Global South. In addition to serious risks in relation to the health and safety and livelihoods of informal workers, a major problem in these situations is that there is no guarantee that the principles of equity, universality, continuity of service, etc. will be met. These actors will only provide services if and when they can generate enough income. Users have no means of recourse.

BOX 1: REMUNICIPALISATION OF PUBLIC SERVICES

Over the last 20 years, there has been a strong trend towards the remunicipalisation of public services in many public service sectors and geographies. Remunicipalisation (also called de-privatisation or in-sourcing) refers to the process of bringing privately owned and/or managed services - including commissioning, concessions, leases, PPPs etc. - back into local government full ownership, management and control. The term highlights the subnational dimension of bringing local public services back in-house in cities and regions. In some cases, this can include people and community-led public bodies such as cooperatives and civil society groups. Remunicipalised services must fulfil the principle of universal access, meaning that all residents – not only those who can afford to pay or who are members – must benefit.

As of 18 January 2022, the Public Futures database identified 1,557 verified or (re)municipalisation cases since 2000. Examples include waste management in Canada, Egypt, Argentina and Norway; education and health in Recoleta (Chile); broadband internet in the United States; water and sanitation, libraries and day care in Malaysia and the Philippines; energy in Dobrich (Bulgaria), Hamburg and Nottingham; housing in Berlin; as well as water in Paris, Antalya, Cochabamba (Bolivia), and in Terrassa (Spain).

There are many potential benefits associated with remunicipalisation. First, as profit generation is not the goal of the public sector, surpluses can be used to expand service infrastructure, improve quality, lower tariffs, improve working conditions and hire more staff. This can lead to enhanced universal, equitable, inclusive access. By ensuring that services are provided to all territories - not just to the profitable ones – remunicipalisation can be a powerful tool for tackling territorial inequalities. In the context of a pandemic, remunicipalisation can ensure that water and sanitation, as well as public and social housing – which are critical for preventing and limiting contagion – are run with a public good approach rather than for profit. Moreover, the remunicipalisation of local public services enables swift emergency responses and quick service and staff redeployment, with no penalty fees for local authorities because services are not bound by limited or no-service renegotiation terms. Lastly, through user and resident participation, remunicipalisation can increase the transparency, accountability and effectiveness of service delivery. It also provides opportunities to democratise public services by narrowing the gap between users, providers, authorities and workers. In some cases, the process includes governance innovations that expand and formalise participation, with the creation of participatory 'water observatories' such as those of Terrassa or Paris. These can help put the voices of resident-users at the heart of emergency responses and enhance the effectiveness of local public service delivery.

2.2 CASE-STUDIES

CITY / REGION	COUNTRY	ORGANISATION(S)	GOVERNANCE MODEL	SCALE OF OPERATION	SCOPE
Kempen	Belgium	Welfare Care Kempen (Welzijnszorg Kempen)	Intermunicipal consortium of local agencies	Regional	Welfare and social care
Medellín	Colombia	Empresas Públicas de Medellín (EPM)	Municipal company[a]	International	Electricity, gas, water and sanitation. EPM's branches provide household waste removal and telecommunications services as well.
Terrassa	Spain	Taigua (operator) / Terrassa Water Observatory (consultative entity comprising resident representatives)	Municipal company	City	Water

[a] The municipality of Medellin is the sole owner of EPM and the mayor is responsible for appointing its manager. However, it is important to note that EPM is a state 'industrial and commercial company', meaning that by law it is endowed with legal status, administrative and financial autonomy, and independent capital, and that EPM operates as a private company in its international operations.

Despite similarities in the legal and institutional features, the way these public service governance models work on the ground varies greatly across local contexts. **Each public service governance system is unique**. Although they tend to be associated with particular territorial scales (see Figure 1), each of these models can be deployed at different levels (municipal, intermunicipal, regional, etc.) and the scope of services provided can also change from case to case. In an attempt to optimise the use of public resources, much research has been carried out over the years on economies of scale and scope. However, there are so many socio-cultural, political, economic, natural/physical and technical factors impacting on local public services that it is it impossible to identify the optimal solution in a purely technocratic manner for each city and region. Still, **in an emergency, adaptability, reactiveness, and resilience are key**. Cities and regions that rely on publicly-owned or publicly-controlled governance models may have greater ability to rapidly adjust, adapt, prioritise and re-deploy staff and services – to improvise, make difficult decisions, and steer the response – as they can exercise direct control without going through (re)negotiations with private operators and without the limits imposed by binding contractual agreements.

3. IMPACTS OF THE COVID-19 EMERGENCY ACROSS PUBLIC SERVICE SECTORS

The responsibility of subnational governments to provide public services varies across sectors, geographies, and governance regimes. Generally speaking, cities and metropolitan governments have **significant competencies in urban transport and mobility, childcare and primary education, culture, water and sanitation, waste management, housing, public space, social care services and some health services.** They tend to have relatively less authority over higher education, national security and police, and health services. But this is not always the case (for instance health or education responsibilities are shared by different levels of government in many countries), and emergencies may change the established systems of delivery.

The COVID-19 pandemic has had a massive impact across all policy sectors, disrupting the delivery of public services globally. While many public service providers had emergency plans in place (for natural disasters, terrorist attacks, blackouts, etc.), these were not adapted to global emergencies such as the COVID-19 pandemic.

Given the specificities of different sectors, it is a challenge to gauge the overall impact of the pandemic on local and metropolitan public services around the globe. Two main factors largely determine the magnitude of the impacts on service provision. First, **the sector-specific shifts in demand arising from the emergency** itself and the public health interventions rolled out by city and national governments, such as lockdowns. For some local public services, demand surged (for example

social care services); for others, it virtually disappeared overnight (for example public transport in some cities); and in other cases it mostly remained the same (for example water and sanitation). Second, **the wider local and national contexts**, for example budget constraints and reallocations that reflected the prioritisation of certain public services over others; the centralisation and decentralisation of competencies in response to the pandemic; and the resilience and adaptability of multilevel governance systems.

Increasing responsibility is being placed on subnational governments for the provision of health services. In OECD countries, local and regional governments are already responsible for 24.5% of total public health expenditure; during the pandemic, this spending increased by 44% and 69% respectively. This was primarily linked to the acquisition of additional healthcare equipment, extra staff recruitment, and conversion of emergency facilities amongst other unplanned interventions.

With regards to the provision of **utility services**, the COVID-19 emergency had three main effects. The first was a **loss of revenue** (due to a decline in consumption and to moratoriums) and an increase in costs (due to operational changes implemented during lockdowns). Tariff collection for water and sanitation services, for example, were reported to have fallen by 40% according to one global study. In the US alone, the pandemic is expected to result in a loss in revenue of USD 13.9 billion in the water sector. In the solid waste management sector, the total waste collected decreased by 27.5% in Milan (Italy) and by 25% in Paris (France). However, the composition of waste also changed with COVID-19, as the demand for single-use plastic increased significantly – mostly from personal protective equipment (PPE) and online shopping or delivery services.

The second effect was the **disruption to (global) supply chains**. Utilities experienced reduced availability of materials and other operational components (spare parts, fuel, chemicals), which risked the continuity of service delivery.

The third effect was **reduced service delivery**. Since many utility workers could not perform their duties remotely, a significant challenge for operators was **avoiding infections and quarantines amongst their workforce**. In France, for example, local governments reduced waste collection services to minimise risks for workers.

The restrictions also imposed constraints on **urban mobility**. For example, limiting the number of passengers in stops, stations and those entering public transport. The priority for public transport services shifted from moving large numbers of users to keeping a mobility system in place for frontline workers (including public transport workers) and essential journeys. **The decrease in demand was huge:** for example, 90% in London (UK), 90% for Metrorail in Washington DC (US), 87% in Istanbul (Turkey), 86% in Santiago (Chile), 76% in Mexico City (Mexico) and 68% in Singapore (Republic of Singapore). This decrease in demand led to a catastrophic drop in revenues in the local transport sector. These developments are likely to reinvigorate ongoing debates about increased fiscal autonomy for cities and regions.

Since the onset of COVID-19, **many processes and forms of public service delivery have had to be digitised.** This process was already underway, but the new sense of urgency posed an enormous challenge to cities and regions in the early stages of this transition, with significant digital divides among their populations. In Latin America, for example, the availability of electronic services before the pandemic was low in most countries. However, government capacity issues aside, **some services cannot be fully digitised** (for example, health and care work) as they require physical interactions, with many service users (for example, the elderly or non-digitally savvy) **showing a strong preference for in-person service delivery.**

The mobility restrictions and physical distancing measures also **made the cultural sector one of the most affected by the global health emergency**. They caused a sharp decline in attendees of these venue-based activities, slashing revenues and risking local businesses and workers' livelihoods (between 0.8% and 5.5% of jobs were lost in OECD countries alone). While online content platforms experienced an increase in demand during lockdowns, these benefits have accrued to the largest firms in the industry. Many cities and regions rely on income generated through cultural services (including from national and international visitors) to reinvest in the sector. In addition, **shifts in priorities amongst local and regional governments** resulted in the diversion of funds from the cultural sector to other sectors such as health and social services.

While **local police departments** played a key role in ensuring that social distancing rules were enforced, like other essential public services they experienced a decrease in their workforce. During the peak of the outbreak, 20% of the uniformed workforce of the New York Police Department (US) was off work due to sickness. In March 2020, in London's Metropolitan Police (UK), one out of five police staff were self-isolating, while in Peru, the police service recorded the most deaths of any public institution due to COVID-19.

In addition, due to the measures implemented to curb the spread of the virus, **crime patterns changed**. Above all, a significant number of countries saw an increase in violence against women. This increased demand for safeguarding and support services. In Buenos Aires (Argentina), for instance, calls to the telephone assistance line for victims of domestic violence increased by 32% after lockdown restrictions were implemented.

In low-income cities, the strain on public services was especially acute. Residents of informal settlements, where public services were often inadequate even before the pandemic, were especially vulnerable to the emergency and its associated economic shocks. In Freetown (Sierra Leone) for example, overcrowding in informal settlements prevented effective social distancing, and the economic impact of the pandemic worsened food insecurity amongst the 75% of households in these settlements who live on less than $1 a day. The city had to act rapidly to offer additional services to support vulnerable residents.

It is important to note that none of these impacts happened in isolation. The pressures were simultaneous, straining city and regional governments around the world in unprecedented ways. This raises the question of **how to prioritise when all public services are essential?**

4. THE RESPONSE OF PUBLIC SERVICES TO THE PANDEMIC

The governance models of local public service providers are likely to influence the effectiveness of the response. However, **to compare and contrast the performance of different public services across different countries, sectors and contexts is extremely difficult and contentious**. Which methodology and metrics should be used to assess effectiveness? Operational cost? Final cost to users? The 'quality' of service? Service responsiveness, adaptability and resilience? The workers' safety and suitable redeployment? Service coverage and access for users? Intergenerational fairness and sustainability?

Public services are complex systems that have to resolve conflicting objectives and political and technical tensions. Given that there is no single, optimal solution for these problems, this Policy Brief does not aim to adjudicate which public services performed better or worse during the COVID-19 emergency. Rather, it aims to provide examples of how local and regional governments across the world faced the crisis, illuminating the key tensions and pointing out avenues to safeguard against future emergencies.

Public service operators faced two main requirements under the COVID-19 crisis. The first was **reorganising their internal structures and operational procedures and redeploying staff** to ensure service continuity. The most resilient providers were those that already had, or rapidly established, **systems of communication and coordination with other services and authorities**. For example, in Romania, the National Authority on child protection developed a [Crisis Cell to ensure the management of social protection services at the local and national levels](#), based on data collected in real-time. The data is used to provide recommendations on case management at the local level.

"Terrassa's governance model allowed the reaction not to be a reaction but rather an acceleration of the adaptative work that was already ongoing."

Edurne Bagué, Terrassa Water Observatory

To **avoid contagion among workers and to ensure the continuity of service**, operators had to implement several staff management and workplace changes (for example, guaranteeing physical distancing during service delivery and hiring extra/specialised staff). Several strategies were adopted. For example, one of the first actions undertaken by Empresas Públicas de Medellín (EPM, Colombia) was **hiring epidemiologists to understand how the virus was being transmitted**, to aid decision-making processes, and to identify 'higher-risk' employees with comorbidities who could potentially be more affected by COVID-19. EPM provided PPE to all their workers and installed **smart proximity handles** in their electricity generation plants that alerted

workers when physical distancing measures were infringed and identified the personnel in close contact with positive cases. This was complemented with a **data analytics platform** that used models to diagnose potential COVID-19 cases and analysed neighbourhoods with higher transmission rates of the virus to monitor workers' movements in those areas. The rapid adjustments to all technological platforms in a two-week time frame enabled 5,000 people to work from home, while maintaining continuity across all services and support processes. Similarly, one of the priorities of Terrassa's water utility (Taigua) was to organise teams that could replace quarantined workers. The management team split the workers into two separate **groups that never had contact with each other**. If one of the teams presented a positive COVID-19 case, the other team would replace them in their daily operations.

In [London (UK)](#), local authorities partnered up through West London Alliance's shared procurement programme to ensure that all boroughs benefitted from economies of scale and had access to PPE for care homes and frontline workers. In Kempen (Belgium) there was a shortage of PPE as hospitals and residential care centre workers were prioritised. In the absence of national guidelines and to deal with the PPE shortage, Welfare Care Kempen assigned a group of workers to the in-house production of masks.

Another major reorganisation for most service operators was **adapting to remote working**. While some experiences were less than ideal (for example, due to the absence of proper equipment or software to deal with sensitive information in a secure way), other operators managed to achieve an incredible digital transformation. This was the case in the city of Los Angeles (US), which managed to scale-up an existing teleworking programme for public officials in a few weeks. In [Italy](#) local public services worked in collaboration with each other to adapt to remote working and ensure continued service provision. Some innovative measures included issuing municipal electronic food vouchers to the most vulnerable residents and accepting digital photos of forms instead of requiring paper ones to process administrative operations (for example, in the issuing of birth, marriage, and death certificates).

A second challenge was tackling residents' needs and modifying delivery mechanisms to **put the most vulnerable people at the centre of the emergency response**. Independent of service sectors and governance models, operators had to implement citizen-facing practices. For instance, in the face of the pandemic, the Kempen intermunicipal welfare and social care provider immediately reviewed all local users' needs, together with care worker teams, to prioritise and adjust the service to those for whom it was most vital. In another example, the city of Wonju (South Korea) launched a [book 'drive-thru'](#) to respond to the closure of municipal libraries across the city. Residents could select books using the library website and pick them up at their local library from their cars, minimising the risk of contagion.

BOX 2: STRONG SOCIAL DIALOGUE AND RESPECT FOR TRADE UNION RIGHTS IN LOCAL PUBLIC SERVICES ENABLED EFFECTIVE EMERGENCY RESPONSES DURING THE COVID-19 OUTBREAK

There is a direct link between respect for the labour and trade union rights of local public service workers and effective local government responses to public emergencies. Public service workers are often the main point of contact between public institutions and residents/users and therefore understand their expectations and needs well. At the same time, as professionals and human beings, they themselves have specific needs that must be addressed if they are to provide services during crises. An established practice of constructive social dialogue between local public service workers and employers – together with the presence of collective bargaining structures such as workplace and sectoral works councils - are key to swift, effective service continuation and adaptation and resilience through emergencies. Strong social dialogue based on trust is a pre-requisite for sound governance of local public services in times of crises.

UCLG and PSI recognise this principle in their 2020 joint statement in the context of the Covid pandemic, where they call on their respective memberships to "engage in constructive dialogue and collective bargaining to find shared solutions to guarantee essential service continuation, while maintaining the highest standards of safety for public service workers and users, including all possible steps to provide adequate PPE to all LRG workers according to the specific needs incurred by their professions".

In the case of OCMW Kempen care services (Belgium), trade unions have played a key role throughout the COVID-19 pandemic in drawing public authorities' attention to the challenges of home and day-care users and employees, when the initial focus (and resources) was on long-term residential elderly care homes only. At the onset of the pandemic, workers and management swiftly came together to review the situation of each service user and prioritised them according to vulnerabilities and needs. They also addressed joint letters to public authorities, asking for clear policy guidance and demanding PPE which was unavailable to home care services at the time. Due to the existing constructive dialogue they had, they rapidly agreed to redeploy staff to mask making in the interim. Unions also helped spread evidence-based

information and sound occupational safety and health (OSH) practices among Kempen workers in the wake of the pandemic. Eric Nysmans, Director of OCMW Kempen, said:

"Good cooperation and coordination with the trade unions in ordinary times certainly pays off in times of crisis". (PSI/UCLG/LSE interview with Eric Nysmans, Director, OCMW Kempen and with Gil Peeters, Manager of Home Care, OCMW Kempen, 12 November 2021.)

Drawing on the dramatic experience of typhoon Hayian, which caused over 6,000 deaths and displaced over 4 million people in the Philippines, the local government of Bislig City and its employee association trade union agreed in 2016 to work together to develop a comprehensive disaster preparedness action plan. Their joint memorandum of understanding states that:

"A functioning and effective social dialogue between local government employers and workers, who are involved as first responders and must enjoy full trade union rights, is the essential condition for a successful disaster preparedness scheme".

The 2018 Guidelines on decent work in public emergency services (PES), published by the International Labour Organisation (ILO), acknowledges the role of local and regional government workers and their unions in emergencies, and provides important guidance and principles to ILO member states in PES delivery. The guidelines indicate that 'states of emergency' should not be used as a pretext to curtail workers' rights (para 102). Given that many PES workers are deemed 'essential services', those who are refused the right to strike must benefit from impartial collective dispute resolution mechanisms (para 105). The guidelines also acknowledge the importance of social dialogue mechanisms in many areas of decision-making: decisions are more solid if PES workers and their unions are involved from the start. PES employers must provide the appropriate PPE according to risk and maintain this equipment at no cost to PES workers. PES workers also have the right to refuse unsafe work; and the right to adequate tools and training, such as field exercises - including with the community.

5. GOVERNANCE INNOVATIONS

Emergencies can happen anywhere and at any time, which means that **public service operators need to maintain adequate capacity to prevent, anticipate, mitigate, respond, adapt, and recover from future crises.** Future hazards related to climate change, rapid urbanisation in informal and unplanned settlements, extreme poverty and inequalities, as well as social unrest require local public service operators to adapt their internal governance systems to enhance resilience and reduce the negative impacts of future crises, irrespective of their governance model.

The remunicipalisation of water services in Terrassa (Spain) enabled the creation of community-led structures for water provision. The Terrassa Water Observatory (OAT) was established as a **channel for social participation** to define policies and guide strategic decisions on the municipal water supply and to ensure swift two-way communication and accountability between public institutions and the local community (see Figure 2). The OAT comprises different thematic working groups – such as human rights to water and social justice, water quality and flavour, water footprint and the circular economy amongst others – in which organisations or individual residents participate. **The observatory's role**

is crucial, **as it strengthens social responsibility and the effectiveness of the service**, forcing the operator to make changes that better meet users' needs. Setting up the OAT was a complex process. It involved multistakeholder coordination, and while the local government had broader experience working with civil society, neither the operator nor users had experience coordinating water delivery services with each other. In this sense, an essential part of the setting-up process was that users, the public service operator, and the municipal government understood that public policy must be co-produced by them.

Social movements in the city of Terrassa reacted to the decision by the regional government to close all public drinking fountains in March 2020 due to the pandemic. The OAT had already identified vulnerable households with no connection to the water supply and, through the human rights to water and social justice working group, it coordinated with the municipal administration to provide a solution for families in need by installing temporary meters so that they could receive water at home. While Taigua had a programme to support vulnerable households before the COVID-19 outbreak, the process was bureaucratic and difficult to access. However, with the intervention of the OAT and rapid adjustments to the legal framework carried out by the municipal government, it was possible to provide a timely response to the water needs of users badly hit by the pandemic. **Involving user representatives in the governance** of the water operator in Terrassa enabled rapid decision-making to ensure service continuation for all, as well as reshaping the way decisions were made on such matters. This was possible because (1) the OAT pushed for, and embodied, a cultural and democratic change in the water provision system of the city, and (2) the Municipality of Terrassa embraced the change and had the courage to approve this intervention in a context of legal uncertainty. Water provision in Terrassa is no longer regarded as merely a technical matter, but as a human right."

The Kempen home care system (Belgium) is a good example of how a group of small municipalities can come together in a public consortium to **pool resources and ensure service provision for the whole territory**, with inclusion, equity and service quality for all users as top priorities. In the 1970s and 1980s, 18 Public Centres for Social Welfare (OCMW)[1] in the Kempen region established services to provide care for the elderly and the disabled. Whilst in theory the OCMWs believed that offering their services individually could help reach the most vulnerable users in their jurisdictions, it became clear that operating at such a small scale was not an effective way of meeting the demands of the whole community. In the early 2000s, the Flemish Minister of Wellbeing, health and equal opportunities proposed the expansion of care services through a collaborative effort between the OCMWs of neighbouring municipalities. This process resulted in the creation of Welfare Care Kempen (Welzijnszorg Kempen), which became the central point of contact in the region, reuniting the administrative capacity of 27 OCMWs. Welfare Care Kempen helps elderly residents and those with disabilities to carry out daily activities such as household chores, travel to medical appointments, and access to leisure activities. The organisation is responsible for providing more than a half of social care services in the region.

"The public service has to be modern, transparent, efficient, and good quality. [...] You shouldn't just ask if something is efficient, but rather if it is complying with all these principles. You need to define just purposes. Why do we exist? How can we make a difference for the people?"
*Eric Nysmans, Director OCMW Welfare Care Kempen*

Given that the care sector provides in-person services, with the COVID-19 outbreak Kempen had to **reorganise how the service was delivered**. Welfare Care Kempen created the Cohort Care Programme, which prioritised the most vulnerable elderly people living at home who could no longer receive help from family or other caretakers. The provider was able to streamline decision-making by working with and for over 20 local boards in addition to collaborating with local authorities' social services, to ensure that care is responsive to needs on the ground. In dialogue with the workers' union and through the use of social dialogue structures, Welfare Care Kempen's public management organised the redeployment of homecare workers to other activities in the municipalities linked to the care sector. This flexibility would not have been possible under a different governance structure (for example, if care were provided by the private sector), as contracts with private operators are rigid and guided by cost effectiveness rather than by the fundamental principle of providing care to those who need it most in the population.

In the case of EPM (Colombia), as a multi-utility municipal entity it maintained service delivery throughout the emergency across all sectors. The organisation established a **unified command post in charge of decision making, evaluating internal policies, and coordinating** with the eleven organisational units that make up the enterprise. This allowed better coordination of the various sectors across the organisation and a rapid response to prevent service interruption of electricity, water, gas and sanitation, as well as safeguarding workers. In March 2020, the national government of Colombia implemented economic relief measures for the payment of utilities' fees to guarantee service delivery to vulnerable homes. However, EPM had been working on this since before the COVID-19 pandemic. The municipal company had established policies on the deferral of bills and non-suspension of services in the event of arrears, an indication of the level of its preparedness to help vulnerable households in an emergency.

---

[1] Public Centres for Social Welfare (known by their Dutch acronym OCMW) are local public agencies present in Belgium's 581 municipalities that provide social services to the community, such as financial and medical aid, legal advice, and in-house welfare support amongst others.

Figure 2. Governance of water provision in Terrassa
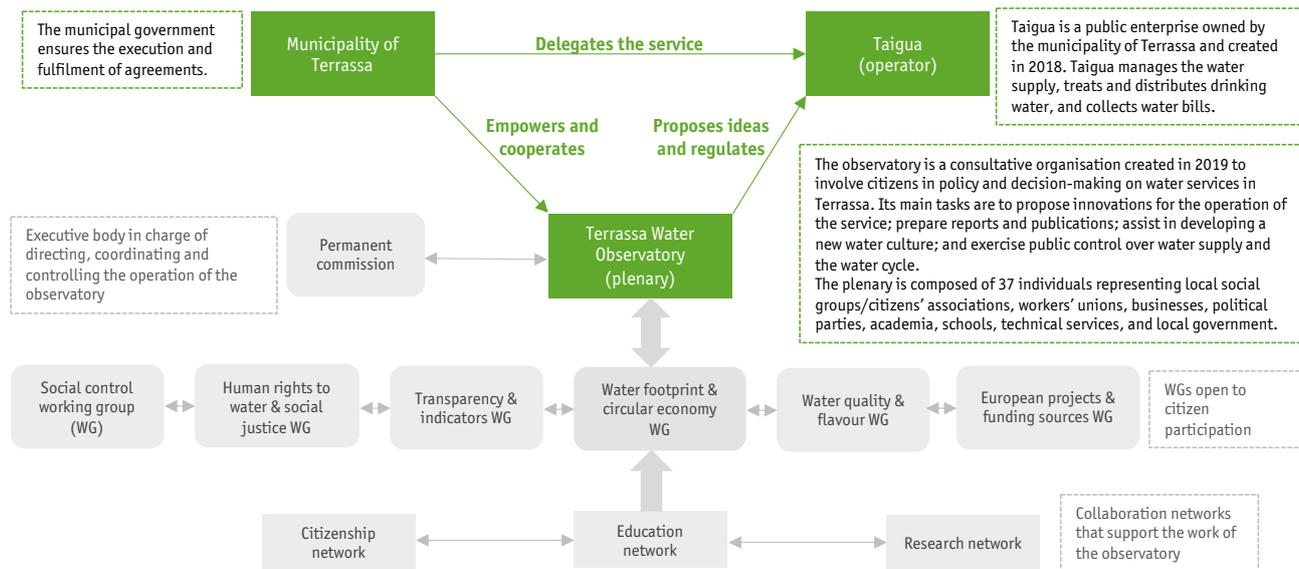
6. FUTURE PROSPECTS

As [current assessments](#) predict that the frequency and intensity of emergencies are likely to increase in the near future, public service providers' experience with COVID-19 may be instrumental in preparing them for future complex emergencies. Local governments that **invest in capacity-building, institutional efficiency, infrastructure, staff, social dialogue with trade unions, and partnerships with civil society can build the capabilities** needed to manage such crises and are **better equipped to guarantee continued, inclusive and quality services to their users**. For example, Terrassa was able to react quickly to the emergency because their response was an acceleration of a process of transformation which had been taking place since the remunicipalisation of the service; and one that involved partnering with the community, the municipal government and the public operator. While Terrassa had previous procedures to face some shorter-term emergencies such as blackouts and strikes, they are currently working on participatory protocols to face future complex global emergencies.

Dialogue, cooperation, and coordination – both within the service organisation and across the wider government administration – are critical for an effective emergency response. For EPM, establishing a unified command post in charge of organisational direction gave it greater coordination capacity and avoided interruptions in the delivery of all utility services. The unified command post is a temporary structure that could quickly be reactivated in the event of another emergency.

To ensure the effective continuation of service delivery whilst also prioritising the most vulnerable users, local governments should maintain **strategic oversight of public services during an emergency.** The main lesson learned for Welfare Care Kempen was that local governments should bridge the gap between political decision-making and the provision of adequate finance and staffing in order to ensure a rapid, effective service response during a rapidly evolving emergency context. One current barrier to this process is the pressure to outsource and delegate services to private organisations in Belgium. Limited by contractual clauses and commitments to investors, it would be extremely hard for such organisations

BOX 3: THE MULTI-UTILITY MODEL

While in many cities and regions different utility services are provided by different public or private companies, in recent decades some operators have been moving to offer two or more services within the same utility, both in [high and lower-income countries](#). Theoretically, multi-utility models may benefit from [economies of scope](#), meaning that delivering one service reduces the unit cost of delivering another, for example due to the joint utilisation of labour and capital, increased organisational learning and access to better information (many utility services are interrelated – consider, for example, water delivery and wastewater collection and treatment). Additionally, [cross-subsidisation](#) between services can help lower-revenue sectors receive more investment and potentially benefit users, who end up paying less for certain essential services. The [institutional integration](#) inherent to multi-utilities could aid response in an emergency context, as economic and human resources and other capacities can be transferred from one sector to another as and when needed.

In addition to being a multi-utility company, EPM is publicly owned by the municipality of Medellin, which allows it to make equity and quality its top priority for service delivery (or any other priorities, depending on political will). EPM benefitted from its multi-utility governance model as the streamlined internal coordination allowed it to maintain service provision throughout the emergency across all utility sectors.

to guarantee a rapid and coordinated response, and therefore to uphold at all times the key guiding principles of equity, accessibility and quality of service.

To respond to future crises, local and metropolitan governments need to access adequate, diversified sources of funding, given that many of them experienced a decrease in income resulting from a reduction in revenue-generating activities and deferrals in property taxes and utilities. At the same time, local and regional governments experienced an increase in expenses due to shifts in demand for specific services. **Additionally, local governments need better access to data** to keep residents safe and adjust service delivery in times of crisis. The latter requires **investing in the digital capacity of subnational governments**, so that they are in a better position to respond to impending crises. Finally, crises such as COVID-19 show how administrative boundaries are social constructs, often with little connection to socioeconomic realities. In order to respond better to the needs and demands of urban dwellers in times of crises, decision-makers need to take into account the metropolitan scale and the workings of urban functional areas.

Thus, metropolitan, regional and national governments need to establish regular dialogue and communication mechanisms between themselves and their internal and external stakeholders to ensure that responses to emergencies are unified, coordinated, and complementary.

Complex emergencies put great pressure on communities that lack adequate access to services (such as healthcare, open public spaces, internet, etc.). Service operators should, therefore, focus on these communities when devising their responses. The COVID-19 emergency changed priorities for public service delivery at the city and regional level, and a variety of services gained in prominence. Many of these have now become '**new essential services**'. For example, as digitisation has become crucial for participation in the workforce, for education, and to meaningfully take part in social life, local and regional governments will need to invest in **bridging the digital divide**, ensuring the inclusion and participation of all residents and facilitating access to high-speed internet connections in public and private spaces. With restrictions to mobility and the rise of remote working, **the importance of public and green spaces in urban settings** has also become even clearer.

Finally, the fundamental importance of social care services was placed in stark relief during the pandemic. For cities and regions to function in an effective and socially-just manner, care should be central to public decision-making. We must design cities and metropolitan spaces that work for everyone – and this can be achieved by attuning to the needs of children, women, the elderly, and people with disabilities. Moving towards inclusive and caring cities must involve users being part of the co-creation of public services, to ensure that they are working for all.

BOX 4: CARE AT THE CENTRE OF URBAN GOVERNANCE

The COVID-19 pandemic revealed how vital our care services are. However, the burden of care is mainly placed on women, either formally as health and care workers, or informally as care providers in the household. A direct consequence of the emergency was that it highlighted the chronic public underinvestment in the care sector worldwide, as well as the staff shortages and extremely poor working conditions of the majority of care workers worldwide. This situation has driven many workers to leave the care sector, resulting in a care workforce shortage at a moment of peak demand.

However, many local governments have started to act. Welfare Care Kempen (Belgium) created the Cohort Care Programme to continue providing services for the most disadvantaged elderly population in this region of Belgium. However, it will need sustained public resources and support to continue delivering quality care to the most vulnerable. In Bogotá (Colombia), the District Care System developed by the city government aimed to redistribute caring duties and reduce the overload for caregivers at home. The system provides services to caregivers, those in need of care, and other household members through 'care blocks', 'care buses' and door-to-door care programmes.

Placing care at the centre of public service delivery can lead to a re-imagining of our traditional systems of governance. Caring is linked to equitable access to public services and central to a meaningful and dignified life. As such, care services need to be available for all residents that need it, in proximity to the point of use, and delivered by people for people. Governments need to acknowledge care as a public good, investing adequate resources and building a formal system for equitable access to quality care services for all.

Care can be a guiding and organising principle for local governments, involving rethinking design practices and processes and promoting 'a culture shift towards valuing care as foundational to the economy, society and environmental sustainability'.

Of course, policies and governance reforms to tackle the COVID-19 crisis cannot ignore the threat of other global emergencies, chief amongst them climate change. Nor should they ignore the huge economic challenges associated with these emergencies. However, care jobs are 'green jobs', which means that investing in decent working conditions and quality employment generation in care services is going to be key to helping cities and regions achieve multiple goals beyond the traditional scope of care. Making cities better for everyone requires collaborative work and the participation of residents, public service users and workers in imagining what a 'caring city' could look like.

Emergency Governance Initiative

LSE Team: Philipp Rode, Nuno F. da Cruz, Rebecca Flynn, Magdalena
Rossetti Youlton, Catarina Heeckt, Emily Cruz, Catalina Duarte

UCLG Team: Edgardo Bilsky, Ainara Fernández Tortosa, Anna Calvete
Moreno, Cécile Roth, José Álvarez

Metropolis Team: Oscar Chamat-Nuñez, Laura Valdés, Marta Briones

Governing Board members: Emilia Sáiz, Edgardo Bilsky, Sithole
Mbanga, Octavi de la Varga, Oscar Chamat-Nuñez, Rahmatouca Sow,
Ricky Burdett, Jo Beall, Philipp Rode

Advisory Group: Julian Baskin, Somsook Boonyabancha, Diane Davis,
Eric Huybrechts, Jorge Pérez-Jaramillo, Naim Kapucu, Susan Parnell,
Aromar Revi, Tony Travers, Lorena Zárate

Graphic Design
Graphics by Yasmin Lennon-Chong

Template by Atelier Works