

CHALLENGES FACING LOCAL
AUTHORITIES IN NORTHERN
IRELAND

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SOLIDARITY

- This is a very difficult time to be a local authority in the United Kingdom
- The elimination of the deficit means a prolonged period of challenge for the public sector

PUBLIC FINANCES

- The United Kingdom finds itself in a position where it has “Sweden’s public services with American taxes”
- The United Kingdom tax receipts are stuck at around 37% of GDP
- No deficit means spending cannot exceed receipts

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TAXATION AND PUBLIC EXPENDITURE AS % OF GDP

YEAR	EXPENDITURE	TAXATION	
1948/49	38%	42%	
1958/59	36%	36%	
1968/69	44%	43%	
1978/79	44%	40%	
1988/89	38%	38%	
1998/99	36%	38%	
2008/09	40%	37%	
2018/19	35.5%	36%	

CUTTING THE DEFICIT

- Not all the public sector has borne the effort to cut the deficit
- NHS, Overseas Aid, Welfare have been protected
- Local Government, police and capital investment has been cut.
- These areas have been cut from 20% of GDP in 2009/10 to 12.5% in 2019/20

THE FUTURE

- Public Expenditure in the UK is projected to fall by 40% between 2010 and 2020.
- Local Government will continue to fall unless taxes rise
- Politicians are not very good at raising taxes

NORTHERN IRELAND

- Local authorities have the benefit of a new start
- They have new powers for instance Community Planning
- The criticism of local authorities in England was that they had the powers but didn't seem to know they had
- In England a great reluctance for fear of legal challenge to use general powers of competence etc

TRANSFORMATION

- That is to say we all need to learn to do more with less
- Increasing local taxes not an option
- Productivity and driving out duplication etc a key priority
- Reduction in management overheads whilst improving front line services

HIERARCHY OF HORROR

- Premises
- White Rabbits
- Fees and Charges
- Back office services
- Management overheads

RELATIONSHIPS

- The world of local government is all about sharing burdens and working together
- Shared Services
- Shared Management teams
- NB the chaos of devolution in England at present

RELATIONSHIPS-2

- Local authorities should challenge Central Government.
- Central Government are not always good at working together. They need help.
- Make management a two way dialogue with Central Government.
- In England we have failed at this.

INNOVATE

- New authorities gives a great chance for not doing things “as they have always been done”
- It is a chance to innovate and to manage risks rather than avoiding them
- Decide what is really important and go for it.

CONCLUSIONS

- This should be the start of a great tomorrow.
- The name of the game is to maximise delivery and save money. Efficiencies need to be driven out everywhere.
- Elected members need to be encouraged to understand their authorities.
- Leadership in these difficult times is of key importance.

Any questions
