EVOLVE UK

UK Local Authorities Investment Areas and the Impact of Covid-19

ENTERPRISE IRELAND

Contents

Foreword

UK Local Authorities aim to improve the lives of citizens within their communities, and in 2020 dealing with the Covid-19 pandemic meant that they had the task of delivering key services and support in unprecedented and challenging times. The pandemic has no doubt impacted local authorities – with loss of income and spending pressures – but it may force them to do more with less and it has accelerated change that would otherwise have taken years to implement. Prior to the pandemic we could already see that local councils were coming up with new ideas and innovative ways of providing services.

This report follows on from our first UK Local Authority Report which we launched in February 2020 and explores the opportunities, challenges, and priorities in this changing environment. We commissioned Go-Exporting to explore the following key areas in more detail:

Local Authority Structure

We look at the changing number of local authorities across England, Wales, Scotland and Northern Ireland and what each type of council is responsible for.

Local Authority Funding Update

We examine the changes in funding in England, Wales, Scotland and Northern Ireland and give an update on 2019-2020 funding compared to 2020-2021 funding and the funding gaps. Councils have to be innovative in their approach and we provide examples of the initiatives they have carried out.

Investment Areas

We put a spotlight on the major areas of investment in which specific local authorities are prioritising projects, in areas such as Digital Transformation, Smart Cities, Infrastructure, Housing, Transport, Environment and Energy. This should highlight some of the main areas of opportunity for companies.

Changing Structures

In this section we look at the recent changes in structure of local authorities, what that means for them and the new ways of working where there has been change.

Impact of Covid-19

Here we look at the effects of the pandemic, the challenges faced by local authorities and instances where crisis brings opportunity.

This report includes details of specific projects currently being undertaken by councils, which will give an insight into the potential opportunities for business with UK Local Authorities.

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Introduction

In 2019 Enterprise Ireland commissioned Mike Wilson from Go Exporting, a UK based consultancy helping companies to enter new markets, to write a report clarifying the structure of UK Local Authorities and providing guidance on the different procurement methods in force.

This latest report looks at the specific opportunities available to Irish companies by taking a closer look at the investment plans, budget priorities and organisational changes within authorities. It endeavours to provide an up to date insight into the sector, taking account of the effects of Covid-19 and budget cuts to help Irish companies identify relevant opportunities.

Local government in England is handled by several different types of local authority – Parish Councils, Borough and District Councils, County Councils, Metropolitan Districts, Unitary Authorities.

In some areas there is a two tier system of district and county councils, while in others a single authority handles all local government responsibilities. The needs and relative deprivation of these areas vary widely, and so does the amount of money available to each. Inner London boroughs receive more grant funding per person from Central Government than any other type of local authority, while shire counties and the districts within them receive the least.

Central Government grants are only one form of revenue for authorities however and, when we look at the whole picture, these variations are considerably reduced. More relevant is to look instead at the local authorities' core spending power, which takes into account the differing amounts of money that each authority can raise on its own behalf.

On average in England, grant funding and spending power has decreased in real terms every year from 2010/11 to 2020/21 across all types of local authority.

Spending power decreased steadily over much of the same period, but as of 2020/21 it has begun to increase again.

The levels of spending by each local authority per person show broadly similar variations to those in funding – inner London boroughs spend the most per person, and shire counties and districts the least. For example, in 2018/19 Hackney spent the most per person, at £3,005, and Leicestershire (along with the district authorities within it) the least, at £1,051.

Spending per person has decreased in real terms in all local authority areas (combining counties and districts) since 2010/11. Local authorities mostly spend their resources on education services, adult and children's social care – these three areas together made up well over half of local government spending in 2018/19, much of it as part of ring-fenced grants.

It is this atmosphere of reducing grants and overall spending cuts in real terms that has sparked innovation and change in the sector. Needs must and authorities have taken brave, previously unimaginable decisions to attempt to preserve services.

Change brings opportunities. In this case it has opened up the sector to new ideas, alternative suppliers, innovation and new ways of providing services. In the following sections of this report we will review these changes and how they present opportunities for Enterprise Ireland clients.

UK Local Authority Structure

It is worthwhile to begin the report by reviewing the current standing of local authority structures across the UK. There have been several changes in recent times, particularly in England, in part due to restructuring in order to save money due to decreasing revenues.

+ England

The number of local authorities in England has reduced to 339, so that there are today:

- 25 County Council

- 188 District Councils

- 126 Unitary Authorities
(including 33 London Boroughs and 36 Metropolitan Districts)

The most recently established Unitary Authorities are Buckinghamshire, West Northamptonshire and North Northamptonshire. The latter two came about due to Government intervention into the running of Northamptonshire County Council following it falling into severe financial difficulties.

Other proposed mergers have not gone ahead: for instance, a merger between Babergh and Mid-Suffolk district councils was postponed in early 2018, and one between West Devon and South Hams district councils was rejected in October 2017.

Unitary local government has also been suggested in a number of other localities, including East Lancashire, Cumbria, Leicestershire, Oxfordshire, Hampshire and Lincolnshire. Of these, Oxfordshire submitted a formal proposal, but this was later abandoned.

The Greater London Authority (GLA) is not included in the above figures as it is not an authority as such, although it has responsibilities for a range of services in transport, policing, planning, fire and rescue, housing and economic development.

There are now ten Combined Authorities which have been established since 2009. The most recent is the North of Tyne Combined Authority. These are not local authorities individually but joint legal bodies through which groups of authorities work together. As such they are not separately shown in the above figures.

Local authorities are also permitted to establish Joint Waste Authorities. There are four in London with others in Greater Manchester (now part of the Greater Manchester Combined Authority) and Merseyside.

+ Wales

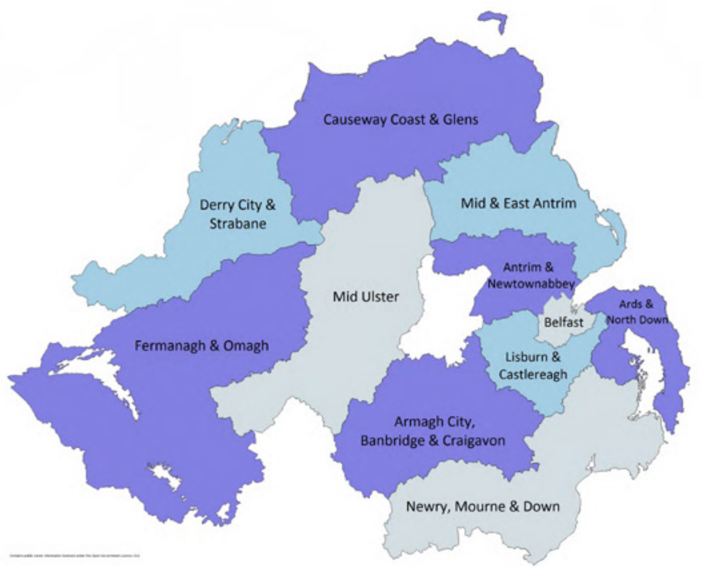
Has 22 Unitary Authorities, also known as County Councils or County Borough Councils.

+ Scotland

Contains 32 Unitary Authorities

+ Northern Ireland

There are 11 local councils in Northern Ireland with a range of roles and responsibilities, including providing certain services and representation, from planning, local sport and leisure centres to waste and recycling. They do not, however, carry out the same range of functions as those in the rest of the United Kingdom; for example, they have no responsibility for education, road-building or housing all of which are covered by the Northern Ireland Executive. (See Appendices for additional information on the council structure in Northern Ireland)



As outlined in our 2019 Local Authority Report, each level of local authority has specific responsibilities in terms of providing services to the local community. The responsibilities of each level is summarized in the table below. For more info on the different local authority structures please see our previous report.

TABLE 1 - WHITE LOCAL GOVERNMENT RESPONSIBLE FOR?

	Unitaries	County Council	District Council	Metropolitan District	London Boroughs	GLA
Education	✓	✓		✓	✓	
Highways	✓	✓		✓	✓	✓
Transport Planning	✓	✓		✓	✓	✓
Passenger Transport	✓	✓				✓
Social Care	✓	✓		✓	✓	
Housing	✓		✓	✓	✓	
Libraries	✓	✓		✓	✓	
Leisure and Recreation	✓		✓	✓	✓	
Environmental Health	✓		✓	✓	✓	
Waste Collection	✓		✓	✓	✓	
Waste Disposal	✓	✓		✓	✓	
Planning Applications	✓			✓	✓	
Strategy Planning	✓	✓		✓	✓	✓
Local Tax Collection	✓		✓	✓	✓	

Source: Local Government Financial Statistics England no.25.2015

+ Local Authority Funding Update in England

As we have seen in our previous report, English local authorities have four principal sources of finance, as below. The bulk of the funds from these sources is not 'ring-fenced' – i.e. local authorities can spend the money as they choose.

+ Council tax

Local authorities set their own levels of council tax and retain all of the revenues locally.

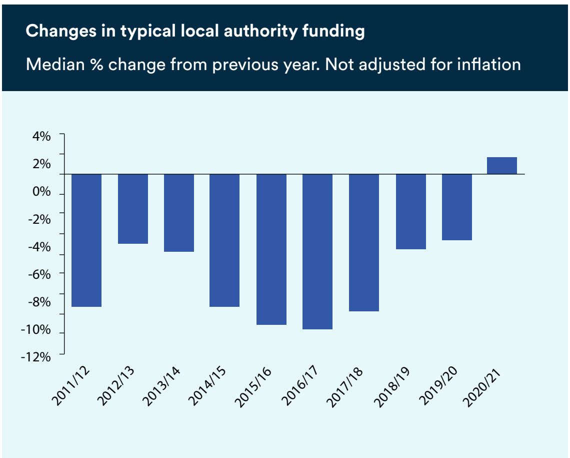
+ Business rates

Local authorities collect business rate revenue. 50% of this is retained locally - although some may be redistributed to other authorities - 50% passed to central government. The Government intends local authorities to retain 75% of rate revenue from 2022.

+ Central government grants

Central government passes a number of grants to local authorities. The largest is the annual Revenue Support Grant (RSG).

Since 2010 this RSG grant has been cut dramatically, although 2020-21 is flat in real terms compared to the previous year. As can be seen from the below table, in real terms funding has, until this year, been on a downward trend.



Source: MHCLG, Local Government Finance Settlement data, multiple years

Core spending power overall, taking all forms of income into account, is expected to increase this year however.

Some additional grants are ring-fenced. For example, the Public Health Grant and funding for schools is paid through the Dedicated Schools Grant, administered by the Department for Education.

Others are not and may be spent as local authorities choose (e.g. the New Homes Bonus which amounts to £907m in 2020-21, Rural Services Delivery Grant @£80m). The Social Care Grant has been expanded to £1.5b and the Better Care Fund maintained at £1.8bn.

+ Local fees and charges

Local authorities have hundreds of powers to charge fees for services provided. In most cases, fees must not exceed the cost of providing the service, and in many cases fee levels are set nationally. The income is retained locally but must be treated as a contribution to the provision of the service for which it is paid.

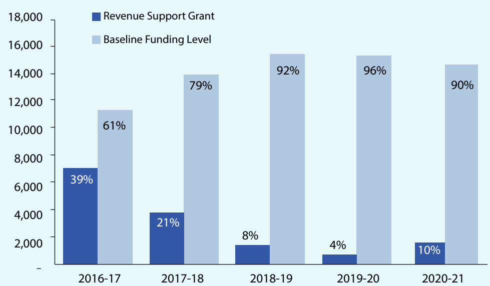
Local authorities may also receive commercial income deriving from their ownership of assets, or from investments.

The below table shows the reducing proportion of local authority funding accountable to Central Government Revenue Support Grant over recent years. The trade off has been retaining a greater proportion of business rates.

For many this has been positive, although the effect of the Covid-19 pandemic in 2020 is yet to be factored in. It will undoubtedly have a serious impact on local authority funding however. We will analyse this later in the report.

Local authority funding, by type

£ millions, total for all local authorities in England



Source: MHCLG, Local Government Finance Settlement data, multiple years

The funding mentioned here solely consists of revenue funding. Local authorities also receive annual allocations of capital funding, which must be accounted for separately.

Despite the cuts in the Revenue Support Grant, total revenue expenditure by all local authorities in England was budgeted to be £99.2 bn in 2019-20. This is 3.4% higher than the £95.9 bn budgeted for 2018-19.

Breakdown of annual local authority expenditure 2019/20:

- **Expenditure on services** totals £96.2 bn. This is £3.6bn (3.8%) higher than 2018-19.
- The largest increases in expenditure within this change are:
  - Children's social care: £9.1bn budgeted, up £535 m (6.2%)
  - Adult social care: £16.8bn budgeted, up £668 m (4.1%)
  - Highways and Transport: £4.9bn budgeted, up £756m (6.2%)
  - Police Services: £12.1bn budgeted, up £613m (14.4%)

The table below shows the source of revenue for local authorities in 2019-20.

Table 3: Budgeted revenue expenditure and financing, England 2018-19 and 2019-20

	Not current expenditure 2018-19	Not current expenditure 2019-20	Change	Change
		£ million		
Revenue expenditure	**95,940**	**99,191**	**3,261**	**3.4**
Financed by:				
Government Grants [(a)(b)]	**47,983**	**48,961**	**978**	**2.0**
of which				
Specific grants inside AEF	39,406	40,827	1,420	3.6
of which				
Dedicated Schools Grant (DSG)	28,458	28,436	-21	-0.1
Pupil Premium Grant	1,364	1,282	-82	-6.0
Public Health Grant	2,991	2,933	-58	-1.9
New Homes Bonus	889	895	6	0.6
The Private Finance Initiative (PFI)	1,157	1,220	63	5.4
Other grants inside AEF	4,547	6,060	1,513	33.3
Revenue Support Grant	1,443	653	-790	-54.7
Police grant	7,120	7,481	361	5.1
Retained income from Business Rate Retention Scheme	**17,054**	**17,085**	**31**	**0.2**
Appropriations to(-) / from (+) revenue reserves	**914**	**1,205**	**291**	**31.8**
Other items [(c)]	**427**	**463**	**36**	**8.5**
Council tax requirement [(d)]	**29,561**	**31,478**	**1,916**	**6.5**

(a) Figures as reported by local authorities. These may differ from allocations amounts despite data collection forms having been pre-populated with allocations data for larger grants

(b) 2018-19 figures include Local Services Support grant of £14 million

(c) Council tax net collection fund deficits/surpluses from previous year

(d) Some outstanding validation queries with local authorities

The below table shows a breakdown of total expenditure by service.

Table 1: Estimated net current expenditure by service, England, 2018-19 and 2019-20

			£ Million	
	Not current expenditure 2018-19	**Not current expenditure 2019-20**	**£ Change**	**% Change**
Education services	33,862	34,296	434	1.3
Highways and transport services	4,251	4,864	613	14.4
Children's Social Care services	8,570	9,105	535	6.2
Adult Social Care services	16,119	16,787	668	4.1
Public Health services	3,314	3,242	-72	-2.2
Housing services (excluding Housing Revenue Account)	1,575	1,680	105	6.6
Cultural, Environmental and planning services	8,258	8,551	292	3.5
of which:				
Cultural services	2,137	2,128	-9	-0.4
Environmental services	5,047	5,172	125	2.5
Planning and development services	1,074	1,251	177	16.5
Police services	11,374	12,130	756	6.7
Fire and rescue services	2,081	2,188	108	5.2
Central services	2,875	2,969	94	3.3
Other services	319	340	20	6.3
Total Service Expenditure	**92,599**	**96,152**	**3,553**	**3.8**
Housing Benefits [a]	19,286	17,828	-1,458	-7.6
of which				
Mandatory Housing Benefits	19,287	17,844	-1,443	-7.5
Rent Allowances	14,815	13,629	-1,186	-8.0
Rent Rebates to Non-HRA Tenants	688	733	45	6.6
Rent Rebates to HRA Tenants	3,783	3,481	-302	-8.0
Non-Mandatory Housing Benefits	0-	-15	-15	-
Parish Precepts	515	552	38	7.3
Levies [b]	98	72	-26	-26.6
Trading Account Adjustments and Other Adjustments [c]	-476	-534	-59	12.3
Non Current Expenditure and External Receipts	-20,453	-19,427	1,025	-5
of which				
Capital expenditure charged to Revenue Account (CERA)	1,509	1,288	-221	-15
Housing Benefits Subsidies	-19,105	-17,627	-1,477	-8
Community infrastructure Levy (CIL)	-129	-132	-3	2
Capital financing and debt servicing [d]	4,370	4,548	178	4
Revenue Expenditure	**95,940**	**99,191**	**3,251**	**3.4**

(a) Includes all Mandatory and Non-Mandatory Housing Benefits
(b) Includes 'Integrated Transport Authority Levy', 'Waste Disposal Authorities Levy', 'London Pensions Fund Authority Levy' and 'other levies'
(c) Includes 'External Trading Accounts', 'Internal Trading Accounts', 'Capital items accounted for in External Trading Accounts', 'Capital items accounted for in internal Trading Accounts', 'Adjustments to net current expenditure' and 'Appropriations to/from. Accumulated Absences Account'
(d) Includes provision for repayment of principal, leasing payments, external interest payments and HRA item 8 interest payments and receipts

+ Local Authority Funding Update in Wales

The 22 unitary authorities in Wales are approximately 80% funded directly by the Government and 20% through Council Tax receipts.

The largest component of funding comes from the Welsh Government through grants that can be used by the authorities for any purpose they choose in delivering the services for which they are responsible.
These grants are known as non-hypothecated grants and include the largest single grant they receive, the Revenue Support Grant (£3.3bn 2018-19).

The Welsh Government also provides funding to local government in the form of hypothecated grants. These grants can only be used for the specific purposes for which they are provided.

They also receive income from nationally set non-domestic (business) rates (£1.05bn 2018-19) and from locally set council tax (£1.81bn 2018-19).

The total local authority budget in Wales in **2019-20 is £8.3bn**, which amounts to a 2.5% increase on the previous year

+ Local Authority Funding Update in Scotland

The total allocation to Scottish local government in the 2019-20 Budget is **£10,779.9 billion**. This is mostly made up of General Revenue Grant (GRG) and Non-Domestic Rates Income (NDRI), with smaller amounts for General Capital Grant and Specific (or ring-fenced) Revenue and Capital grants. This represents a 2.5% increase in cash terms, or a 0.7% increase in real terms.

Once Revenue funding within other portfolios (but still from the Scottish Government to local authorities) is included, the total is **£11,071.2 billion,** a cash increase of 3.8% (£405.1 m), or **2% (£210.5 m)** in real terms.

+ Local Authority Funding Update in Northern Ireland

Local councils get their funding from a combination of:

- Rates (District rate element)
- Various grants, mostly provided by the Department for Communities (DfC) government grants
- Fees and charges for certain services
- Loans

Department for Communities Local Government & Housing Regulation Division Government grants consist of:

- Rates Support Grant, which provides extra financial resources for those councils whose needs exceed their wealth base
- De-rating Grant, which compensates councils for the loss of district rate income due to the statutory de-rating (lowering of rates) of certain property
- Civil Contingencies Grant to support councils in emergency planning

Other government departments pay specific grants to councils which help with the financing of certain revenue and capital expenditure.

Public Spending

According to the Local Government Audit Report in 2019, councils in Northern Ireland received/spent: – £862m of income, 70% of which was from District Rates – expenditure of £936m – Council usable reserves are estimated at £235m. That is a small proportion of overall public spending as can be seen from the below table.

Northern Ireland Total Public Spending Fiscal Year 2019 in £ billion

Cost	**£ (in billion)**
Pensions	7.2
Health Care	4.6
Education	2.5
Defence	0
Welfare	2.3
Protection	1.2
Transport	0.7
General Government	0.5
Other Spending	2.7
Balance	0.2
Total	**21.8**

+ Funding Gap

Even before the Covid-19 pandemic, the Local Government Association was predicting a funding gap for councils of £8b by 2025.

Pressures are growing on increasingly fragile services that support the most vulnerable such as children's services, adult social care, and efforts to tackle homelessness. This is leaving less money for councils to fund other services, many of which prevent additional cost burdens on other parts of the public sector such as health, policing and welfare.

Having already lost almost 60p out of every £1 which the Government had previously provided for local services this decade, it is feared that the provision of all required services is no longer sustainable.

It comes as a Local Government Association (LGA) survey reveals that a quarter of councils (27%) fear that – on the basis of current funding – they will no longer have enough funding to fulfil their statutory duties by or before the end of this Parliament in 2022.

In addition, it is estimated councils will lose £8.4bn in EU funding after Brexit. The Government has indicated this will be covered by them but as yet no firm proposals are available.

To try to overcome these issues, councils have had to be innovative in their approach. Below are just some of the initiatives they have carried out:

100% OF COUNCILS HAVE SHARED SERVICES OR MANAGEMENT OUTSIDE OF AUTHORITIES OR LOCAL PUBLIC

89% OF COUNCILS HAVE TRANSFORMED ONE OR MORE SERVICES USING DIGITAL/DATA SOLUTIONS

70% OF COUNCILS HAVE IMPROVED IN THE LAST 10 YEARS DESPITE A 40% CUT IN FUNDING[1]

65% OF PROJECTS INVOLVING 97 COUNCILS GENERATED £6.63 M OF SAVINGS OR INCOME OVER THREE YEARS OF DIGITAL FUNDED PROGRAMMES

61% OF COUNCILS HAVE OUTSOURCED OR INSOURCED SOME SERVICES/PART OF SERVICE

Examples of Innovative Budgeting

Here are a few highlights which also show areas of potential business for service providers and innovative product suppliers offering cost savings and/or improved efficiencies:

Suffolk County Council has outsourced all of its services to private providers.

Norwich City Council has seen its commercial investments pay off, to the point where they now generate sufficient income to cover the cost of 13% of local services. A total of £7.6m.

Shropshire Council will invest £300m in projects over the 2020/21 period which will enable growth in jobs, housing, community hubs and infrastructure over the coming years to generate £15m net annual revenue income.

These innovative and bold budget approaches are creating opportunities in the market as everything is under review and subject to change.

Opportunities & Priorities

It is clear funding for the Local Authority sector is at a critical juncture, yet with close to £100b expenditure per year on a wide range of services, it is still an attractive proposition for any supplier.

Hardship has brought about innovation and changed thinking, which in turn have led to opportunities for similarly forward-thinking businesses.

The challenge for the clients of Enterprise Ireland is how to identify the best opportunities and to understand the priorities of Local Authorities in these changing times.

This report sets out to provide guidance and information to enable a targeted approach. We have researched the sector to assess the trends and identify the major areas of investment.

Here in the text of the report we will summarise and provide examples of each priority area. The linked spreadsheet provides a list of the main current opportunities for planning purposes.

Investment Areas

Researching the different councils in the UK we have identified some key trends in their areas of investment and categorised them for ease of use.

These major areas are as follows:

- Digital Transformation
- Smart Cities
- Infrastructure
- Transport
- Housing
- Regeneration
- Energy
- Environment
- Other Opportunities

In the following pages we will look more closely at the types of projects and some of the specific investments planned in each of these categories.

+ Digital Transformation

Many forward-thinking councils are embracing the digital era and investing heavily in their local areas to not only utilise technology in their services, but to create the digital connectivity and platforms for business to flourish and attract inward investment of companies involved in the sector.

Technology is being used to improve services, speed up response times and improve connectivity, which in turn creates economic growth. Economic growth leads to increasing income for the council from business rates and provision of other services, not to mention breathing life into areas in need of regeneration.

For example, **Belfast City Council's** strategic approach to boosting connectivity, including the roll-out of ultrafast services, is having a positive impact on the local economy. Belfast was recently crowned the best city in the UK for mobile connectivity, outranking the likes of London, Birmingham and Edinburgh.

Belfast's digital technology sector contributes more than 5% Gross Value Added (GVA) to the region's economy - the second highest proportion in the UK - and also creates well paid jobs: salary growth for 'digital' jobs was 14.8% higher than the local average last year.

With the city now attracting some of the brightest tech minds in the country, the digital industry is contributing its weight in gold to the local economy.

The roll-out of ultrafast broadband services in Belfast has allowed small businesses to expand at a much quicker rate than previous years, energising the region's start-ups.

As well as enabling small businesses to thrive, the future-proof digital infrastructure also acts as a draw for multinationals that increasingly view connectivity as a key factor when deciding office locations. For example, French technology company Expleo has just announced it will invest €8m in its Irish workforce, creating 30 jobs in Belfast.

Global companies such as Baker & McKenzie, Fujitsu and Concentrix, alongside many others, chose to base themselves in Belfast, in part because of the connectivity and skilled workforce the city offers.

The city is also fast becoming a global cyber security hub too, with specialist university research centres and an impressive cluster of global cyber security investors. It is the world's number one location for US-based investment in the sector.

If Belfast continues to invest in the digital infrastructure that underpins the region's knowledge economy, it could create more than 80,000 jobs and add more £3bn to the city's economy by 2030.

This is too big a prize to ignore and will create a myriad of opportunities for relevant Irish companies to supply not only the council's digital infrastructure investments but also the needs of the businesses attracted to the region.

Similarly, **Bolton Council** aims to create a 'super connected digital city' and make it a 'preferred location for global technology leaders at the forefront of innovative digital technologies'.

This forms an integral part of the council's £1.5bn masterplan to transform the town by 2030. They are currently looking for joint venture partners to make the necessary investment in digital platforms and technologies.

Other councils looking to digital transformation to boost their local economies include **Greater Manchester, Leeds and Cheltenham**. The latter is creating a £650m cyber park with the express aim of making the town the Cyber Capital of the UK. It has recently been voted the **Best Commercial Council** in the country.

It is said that 'necessity is the mother of invention'. For the local authority sector this seems to be the reality. From political organisations providing local services, they have been forced to become commercially focused and forward thinking.

Investment in digital transformation in order to attract businesses to the area, thereby increasing their own income in order to be able to provide statutory services is a perfect example of this.

Within the digital category we include councils looking to invest in technology for the provision of their own services. The **London Borough of Hounslow** for example is currently tendering for an estimated £20m contract for CCTV systems, IP networks and supporting infrastructure.

The above are just a few examples of specific investment proposals. Many other councils have digital technology as a cornerstone of their priorities. A good example is the objective of improvements in connectivity in rural areas.

Any company involved in digital technology will find great opportunities in those local authority areas targeting this sector.

Smart Cities

By 2030, urban areas are projected to house 60 per cent of people globally and one in every three people will live in cities with at least half a million inhabitants.

Cities and their inhabitants face numerous constraints including land availability, population growth, and limited resources. Cities must also look for ways to improve their citizens' and visitors' standard of living.

Smart cities are a way to overcome these barriers and make improvements. Technology plays a central role in any smart city development by providing data upon which to make operating and investment decisions.

It provides the means for connecting infrastructures (networks, sensors, devices) and collaboration between the stakeholders. This includes citizens, city authorities, private sector companies, innovators, entrepreneurs and academia.

But a successful smart city is not just about technology but about the management framework supporting these technologies.

As technology develops, as driverless cars and other innovations become more prevalent, so smart cities will become more important. Councils are looking to plan for the future and install the correct infrastructure now, ahead of time.

In 2013 Glasgow was awarded £24 million of funding from Innovate UK to become a future city demonstrator site, developing digital infrastructure and data initiatives to make it an interconnected smart city.

A recent report shows that the programme has had a positive effect on the local economy and residents, delivering a return on investment of £144 m. Many others have looked at this kind of success and consequently there are numerous smart projects ongoing which offer a great opportunity for suitable qualified Irish technology companies. Some examples:

Smart Cambridge is exploring how data, emerging technology and digital connectivity can be used to transform the way people live, work and travel in the Greater Cambridge area and beyond.

This rapidly evolving programme is harnessing the latest technologies to improve the economic strength and sustainability of the area.
Local councils, technology businesses, university researchers and partner organisations are working together to find smart ways to tackle city challenges, such as transport and air quality.

The work is supported by the Connecting Cambridgeshire partnership programme, led by **Cambridgeshire County Council**, which is improving the county's digital infrastructure with better broadband, free public WiFi and wider mobile coverage.

With investment from the **Greater Cambridge Partnership and the Cambridgeshire and Peterborough Combined Authority**, the Smart Cambridge programme is being scaled up through 2020, to focus on maximising the impact of transport-related work, through:

- Better quantity, quality and use of data
- Embedding digital solutions and emerging technology
- Collaboration with business, community and academic sectors

The pioneering research is managed through Connecting Cambridgeshire and is overseen by a Project Board and an Advisory Group to steer the work and give technical guidance.

Newcastle was named as Smart City of the year in 2019 for its innovative approach in using technology to help transform services and improve the lives of residents.

The digital leader award recognised Newcastle for its collaborative approach to innovative use of technology across the city to deliver services more efficiently and make life more liveable - through better transport, cleaner air, more responsive local services and by creating more independence for people in their own homes.

Sheffield City Council has revealed it is to become the latest UK Smart City, starting with a technological overhaul of the city's roads. The council was planning to create a digitised public highway network in Sheffield by spring of this year, with thousands of individual wireless sensors communicating with the latest smart technology. This was before the current pandemic so progress may have slowed.

According to the council, the city's highways contractor, Amey, will have created a digitised public highway network for Sheffield, with thousands of individual wireless sensors communicating via smart sensors.

The attached spreadsheet has further examples of the many Smart City schemes being developed around the country. Given the pace of development of technology, we can only expect projects in this sector to increase, providing a good opportunity for suitably qualified suppliers.

+ Infrastructure

Local infrastructure is one of the key services of councils covering not only roads but also the wider definition of the word. They maintain over 184,000 miles of local roads in England which is 97.6% of the total roads network.

At the same time local authority expenditure on highways and road maintenance has fallen from approximately £13000 per mile to £9000. Nevertheless, councils fix a pothole every 17 seconds!

The 2019-20 local authority budget for roads was £4.9bn a rise of 14% on the previous year. There have also been indications of increased budgets for cycle lanes, pothole repair and roads maintenance as part of the post Covid-19 economic stimulation packages.

Infrastructure upgrades will mean smoother and safer journeys with better connections.

- Investment across road and rail will support the country's economic recovery and continue to level-up infrastructure
- £1.7 billion to improve journeys for cyclists, pedestrians and drivers across England through repairs to local roads
- Fast tracked construction works worth £175 million will ensure networks get vital repairs while fewer passengers are using transport system
- Plans to lock in environmental benefits seen during lockdown with vision to boost England's charging infrastructure for electric vehicles over next decade.

Drivers and cyclists beginning to return to England's streets will benefit from a £1.7bn Transport Infrastructure Investment Fund to improve roads, repair bridges and fill in millions of potholes.

The package will target around 11 million nuisance potholes, enough to tarmac a road stretching a third of the way around the Earth. It will also see smaller improvements completed to upgrade local networks, such as enhancing road safety at key locations, the installation of priority bus lanes, and the creation of projects to help lock in improvements in air quality experienced during lockdown.

Most major cities, including London, Liverpool and Manchester have announced investments in cycle lanes to encourage the continuation of the environmental benefits of less traffic on the roads and to avoid unnecessary personal contact on public transport.

Even before the pandemic there were some major infrastructure schemes announced by local authorities making this a very attractive sector for Irish companies.

Central Bedfordshire for example had announced a £69.6m investment in 'Transformational Growth in Biggleswade' to deliver a new secondary school and highways infrastructure to support 3000 new homes.

This was part of a wider £600m support programme from the Government to help pay for related roads and rail projects for 50000 new homes in areas of high demand. The total was shared between five councils in London, Central Bedfordshire and Essex. In addition to the above, the other four projects are:

- £218m for the 'Beaulieu Station and North-East bypass' (Chelmsford) bid from Essex County Council to deliver a new train station and road improvements to support up to 14,000 homes
- £156m for the 'Meridian Water' bid from Enfield to deliver rail works, road infrastructure, land remediation, flood alleviation and utilities to support up to 10,000 homes
- £99.9m for the 'Tendring Colchester Borders Garden Community' bid from Essex County Council to deliver a new single carriageway link road and works to support up to 7,500 homes
- £80.8m for the 'East London Line – Growth Capacity' bid from the GLA to deliver transport upgrades to support up to 14,000 homes

North of the border in Scotland, eight neighbouring local authorities across Glasgow and the Clyde Valley have secured £1.13bn to support delivery of an improved transport network across the area.

West Sussex Council has announced a road building project worth £23m to support new homes, cut congestion and pollution. It is set to start very soon. There are also a whole host of local authority funded (often with Central Government grants) projects surrounding HS2.

In short, it is a good time to be involved in infrastructure in the UK and should be of particular interest to Irish infrastructure businesses.

+ Transport

As we have seen, reducing pollution by easing traffic flows is a key goal of all local authorities. Improving the lives of citizens is another objective. Public transport is an important element in this equation.

Coronavirus and social distancing aside, there has been a considerable push in recent years to drag people out of their cars and onto public transport or their bicycles. Indirect taxation such as congestion charging, low emission zones etc have been used to encourage use of buses, trains and trams.

There have been major investments planned and completed in recent years with excellent opportunities for relevant suppliers.

Birmingham City Council is a good example of the kind of thinking and planning being conducted. Building on the existing Birmingham Connected transport strategy, the draft Birmingham Transport Plan published in January 2020, contains a set of principles to guide future investment in transport to serve more people, homes and jobs, while also creating a better environment in which to live and work for everyone regardless of age, disability or income.

These measures are designed to reduce transport's damaging impact on the environment, supporting Birmingham's commitment to becoming carbon neutral by 2030, as well as making roads safer, connecting people with new job and training opportunities, prioritising people over cars and revitalising the city centre and local centres.

The document sets out four 'big moves', designed to work in harmony with each other. These are:

- **Reallocating road space.** Moving away from single occupancy private cars to support the delivery of a public transport system fit for a global city, fundamentally changing the way that people and goods move about the city.

- **Transforming the city centre.** This would be through the creation of a network of pedestrian streets and public spaces integrated with public transport services and cycling infrastructure. Access to the city centre for private cars will be limited, with no through trips. This includes looking at different options for the central section of the A38 including re-routing it to an upgraded ring road.

- **Prioritising active travel in local neighbourhoods.** Walking and cycling will become people's preferred mode for travelling around their locality. Cars will no longer dominate street life around homes and schools, a limit of 20mph will be standard on all local roads and residential neighbourhoods and local centres will be places where people are put first.

- **Managing demand through parking measures.** Parking will be used as a means to manage demand for travel by car through availability, pricing and restrictions. Where development potential exists, land currently occupied by car parking will be put to more productive use.

Such detailed planning highlights the many areas of potential for Irish companies involved in the transport and infrastructure sectors, for example street furniture, demarcation materials, transport systems, intelligent transport and parking systems, information signs and so much more.

Another great example is **Derby City Council** which is awaiting a decision from the Department for Transport, following the recent joint submission with **Nottingham City Council** for over £100m for the second phase of the Transforming Cities Fund.

The fund is designed to improve connections between major employment sites and promote active travel and public transport.

The Council set out real ambition in their bid, demonstrating the desire to transform transport across the city, and radically improve the connections between where people live and where they work.

This ambition includes the establishment of Derby's first dedicated mass transit link, with the provision of a high quality electric Rapid Transit (eRT) route that would run directly across the city centre, linking key intra-city destinations and public areas. The eRT route would be a key investment in revitalising the public transport offer in the city, providing a new and innovative service and experience, which would include extensive, traffic-free routing.

In addition, three new 'smart' park & ride hubs with improved cycling and public transport links, upgraded RTI and waiting and electricity charging facilities, were also proposed. As well as a demand responsive transport service, which would link the city centre and rail station to key employment sites including Rolls Royce, Bombardier and Pride Park, again providing innovative alternative to car travel for commuters. Other improvements in the bid included:

- Bus priority corridors – upgrading junctions, infrastructure and RTI at key junctions to improve bus reliability on major routes
- Cycle lane improvements along key routes to employment sites, including dedicated cycle lanes along certain roads
- Workplace Travel Service – continued funding to offer small grants to Derby businesses to make improvements, which encourage staff to travel sustainably to and from work

The bid also includes additional initiatives to better connect Derby and Nottingham with East Midlands airport, including:

- Improved real time information, signal and bus lane priority for public transport across the region
- Consolidation of cashless payments and seamless ticketing in Derby
- Expanded rapid electric charge point network
- Upgraded cycle links between the two cities
- Bike share programme

As can be seen this is a comprehensive plan which incorporates elements of investment into infrastructure and Smart Cities in order to create an integrated transport system. Again, this offers a multitude of opportunities for suppliers.

Transport, Infrastructure and Smart Cities make up a virtual holy trinity of opportunity.

+ Housing

Local Authorities were in total in receipt of a Central Government grant for new housing worth £895m in 2019-20. From our research, this is just a small portion of the planned investment in housing across the country.

The number and scope of projects makes this a particular interesting sector for clients of Enterprise Ireland. So much so, that in the attached project spreadsheet we have included a separate sheet to highlight the potential.

Any companies with an involvement or interest in the housing and property development sector would be well advised to take a closer look at what is happening and what is planned, not only by traditional Labour councils but also in Conservative areas.

Birmingham City Council, for example, has agreed a regeneration scheme for up to 1,000 new homes plus 25,000 square metres of employment space for the Montague Street site, which forms part of the huge Curzon Masterplan, estimated to bring 36,000 jobs and 600,000 square metres of commercial floorspace, with more than 4,000 homes and £1.7bn in private sector investment.

The new scheme will be located very close to the planned HS2 Curzon Street Station and the Birmingham Eastside Metro Extension, making it perfectly placed to encourage economic growth in the area.

In the North West, **Oldham Council** has announced a multi-million pound investment strategy that will see the delivery of 2,000 new homes. Known as 'Creating a Better Place', it will unlock £306m of investment across Oldham.

The local authority's strategy is set to build on Oldham's recent town centre regeneration projects, which have included the redevelopment of the Old Town Hall, improving connectivity with the rest of the local region via the Metrolink tram network and the redevelopment of Oldham Leisure Centre and Parliament Square.

The developments are not confined to England, **Edinburgh Council** has set out an ambitious £2.5bn plan to build 20000 affordable homes within the next decade, while helping the construction of around 6000 build-to-rent properties.

Funded by borrowing against its council housing rental income, it will see 10,000 homes completed by 2022, with the remainder in place by 2028.

It has already granted planning for more than 3,100 homes to meet the initial target, with 1,700 further approvals expected this year.

Further south, **Bristol City Council** has begun the search for a development partner for a £250m, 1,435 home scheme. **Cheltenham Council** is implementing a £100m affordable homes investment plan.

Norwich City Council is making a £46.5m investment in housing stock including upgrades and maintenance as well as new social housing.

These are just a flavour of the schemes in the pipeline and clearly show the potential in the housing sector.

+ Regeneration

One of the key responsibilities of local authorities is the regeneration of town and city centres. Run down areas can be transformed into bustling commercial or residential areas by forward thinking councils. Look at the regenerations of the Broad Street/Gas Street Basin area in Birmingham and Salford Quays in Manchester as just two examples.

Such regeneration is increasingly being seen by councils as a key investment in their future revenue generation, as well as improving the environment for local residents. As such there is huge potential for companies with the products and services relevant to this sector.

Kirklees Council has set out £68m in regeneration plans which have been given the green light with budget approval. The schemes will involve the regeneration of Huddersfield and Dewsbury town centres. Smaller towns and villages in the area will also benefit from a £10m funding package with a further £15m towards roads improvements.

Liverpool City Council has bought more than 55000 square metres of prime waterfront land for just £1. It plans to turn the Kings Dock site into a tourist and leisure attraction in a multi-million pound development.

Tees Valley Combined Authority is awaiting a Government announcement on funding for a £71m development to convert the former steel works into a world-leading business zone.

Manchester City Council is refurbishing Manchester Town Hall and Albert Square.

These are just a few of the regeneration projects across the UK. Others can be found by following Contracts Finder and Planning Applications, not to mention local news outlets.

+ Energy

Reducing emissions and becoming carbon neutral are key priorities of many local authorities as they strive to alleviate pollution and follow a green agenda. One key area of strategy and investment towards these goals is in the use of alternative energy. For businesses involved in this sector therefore, alternative energy offers a significant opportunity.

One such authority is **Cambridge County Council** (CCC) which has protecting the environment and tackling climate change as core priorities. CCC, along with several other local authorities, has declared a Climate Emergency. It has subsequently published a Climate Change and Environment Strategy including ambitious targets for reducing the energy consumption of CCC's building stock, replacing heating in CCC owned and operated buildings with low carbon heating by 2025 and reducing indirect emissions by 50.4% by 2030.

It is looking for a partner to design and deliver energy efficient, renewable energy generation and storage projects across all of its asset types (schools, office buildings, rural estate, transport, waste, housing etc). The value of the project is estimated at £110m.

Returning to the need for councils to think and act more commercially, **West Sussex Council** operates one of the largest local authority owned solar farms which has actually generated surplus revenues of £1.2m to be used for frontline services.

The 12.4Mwh solar farm at Toggam Farm in Lakenheath has raised nearly £4m for West Suffolk Council since it was started in August 2016 thanks to sales to the National Grid.

West Suffolk Council calculates that the solar farm has generated £560,000 towards the funding of frontline services this year alone bringing the total amount raised in three years to £1.2m.

Over the last 12 months the solar farm generated 12,631Mwh of electricity against a target of 11,591Mwh. This is enough to power around 3,300 homes and offset carbon dioxide emissions from 1,500 cars.

Given this success, this is a model which other local authorities are looking to replicate. For example, Warrington Council is looking to develop a 60.4Mwh capacity solar farm. It is therefore a real opportunity for any company involved in the sector not only to seek out existing projects but also to create a demand.

Another ground-breaking renewable energy scheme is set to emerge from abandoned coal mines in South Tyneside, cutting annual carbon dioxide emissions by hundreds of tonnes.

This estimated £7m project will take geothermal energy from flooded mines in the former Hebburn Colliery and use it to heat council-owned buildings in the area, including a residential tower block.

Preliminary approval for £3.5m in funding from the European Regional Development Fund has given this innovative project a major boost and has meant that an appointment for a main scheme designer is imminent.

Once again, this is a great opportunity for companies involved in the sector to gain business from this particular project and also to promote similar systems to councils in other former mining areas.

Other potential energy projects with local authorities include the installation of solar panels, for example there is a project for 15,000 council homes by Hackney Borough Council.

Various projects making use of public roof space have sprung up over the years, including Hounslow Borough Council's Western International Market which has the largest rooftop array erected by a local authority at 1.73Mw plus 240kW of battery storage, and Ashton Gate Stadium, home of Bristol City FC, where a 117kW array was funded by Bristol City Council.

West Sussex and Portsmouth City councils have won plaudits for prolific deployment, having put solar on more than 130 schools between them, with many others, such as Wokingham Borough Council, looking to follow suit.

This trend is set to continue and is certainly an area of opportunity.

+ Environment

The use of alternative energies is one solution to the climate change crisis and due to its importance, we have highlighted it separately to environmental projects as a whole.

As we have already seen, for many, if not all councils, tackling environmental issues and sustainability are core objectives. Consequently, they are also key investment areas.

Braintree Council and Essex County Council have created an Essex Climate Commission this year and aim to spend £1.5m on projects. One project they are involved with is the first fully electric charging forecourt just outside Braintree which is due to open this summer.

The forecourt can charge 24 electric vehicles at once with superchargers that can deliver up to 350kW of charging power. This will enable people to charge vehicles within 20-30 minutes.

It is part of a proposed £1bn network of 100 electric forecourts, which will be delivered by Gridserve. They will be powered by clean, zero carbon solar energy and battery storage projects.

The Braintree site will have a two storey building which will contain a coffee shop, supermarket and other facilities for drivers use while they are waiting for their vehicles to charge.

The facility will also function as an education centre for electric vehicles and sustainable energy.

Graham Butland, leader of Braintree District Council, said: 'This ultramodern forecourt will provide residents and businesses in our district with access to a dependable source of green energy which will make owning an electric vehicle far more viable.'

The growing demand for electric cars looks set to make this type of facility commonplace across the country, especially in the post-Covid-19 world where we have all seen the positive effect on the climate of less fossil fuelled vehicles on the road.

On a similar theme of electric vehicles, Bristol Council is looking to improve sustainable transport options by promoting electric car clubs, electric freight deliveries, more electric vans in council fleets and electric taxis. All of this will require a charging infrastructure capable of servicing the needs of the drivers.

Manchester City Council is another council with ambitious plans to halve greenhouse gas emissions in the next 5 years and to become zero-carbon by 2038.

Halving emissions by 2025 underpins the zero-carbon agenda in Manchester and involves reducing direct emissions from the council's buildings, energy use and transport from 30,000 tonnes a year to around 15,000 tonnes a year.

Specific plans include spending £15m on the second phase of a Carbon Reduction Programme, a £1m investment into planting new trees across Manchester, large scale solar and wind power energy schemes and replacing the city's street lighting with low energy LED lighting.

Nottingham City Council is investing £3.4m in wireless charging technology at taxi ranks in the city. This is on top of more than 70 fast and rapid charge points in Nottinghamshire and Derbyshire installed last year. In addition, their Workplace Travel Service supported businesses with grants used to install 72 charge points.

Such schemes are being planned and replicated nationwide. Electric vehicle infrastructure and other projects driven by local authority environmental agendas are therefore a key target area for any business involved in the sector.

+ Other Opportunities

The preceding sections cover the main areas of opportunity with multiple projects right across the UK. Other possibilities do also exist for Irish companies in more specific areas as summarised here:

Skills Development

Often local authorities will promote schemes to develop skills in the local workforce. This is particularly true if there has been a major recent business closure bringing an influx of labour onto the market, perhaps not with the skills required to fill current vacancies. Or where the council is looking to transform the area into a specific technology or digital hub for example.

The **West Midlands Combined Authority** has announced they are funding a new programme to give local people the skills needed to start a career in construction for example.

Technology

Allied with the above, councils often focus on promoting their region for one or two particular specialities or technologies. The idea being to create a centre of excellence which attracts inward investment and job opportunities.

Glasgow City Councils emphasis on Science & Technology is an excellent example of this. It invests in programmes designed to promote the sector and thereby generate revenue.

Business Growth

Helping local businesses to grow is a key area for many councils and a way of generating future income through that growth. They often offer a number of different programmes and targeted incentives to companies in order to develop long term job opportunities for example.

An example of this is the £20m Flexible Growth Fund launched by **Liverpool City Council** to support the most ambitious firms in the city region. Managed by the Merseyside Special Investment Fund, it aims to generate new jobs in the city region, remove obstacles to business expansion, and enable a new generation of 'change-makers' that will set the region up for long-term growth.

The fund is part of Mayor Rotheram's £75 million Business Growth Package, the largest set of business support funds seen in decades, and is part of the Mayor's long-term plan to deliver inclusive growth across the city region.

All of the above examples offer opportunities to Enterprise Ireland clients to penetrate the UK local authority market either directly or via the businesses and projects they are supporting.

Changing Structures

We already discussed in Section 2 that the structure of some local authorities has changed drastically over the last few years, even the last few months. Reducing revenues and financial crises have led to major changes, amalgamations and collaborations.

It is important to look at these changes as an opportunity for new suppliers, especially those with innovative solutions which can lead to efficiencies and cost-savings. Longstanding supplier relationships are under threat as no stone is left unturned in an effort to save money and provide the required levels of service.

The change process itself is also an opportunity for consultants and advisors, for new software etc.

The attached spreadsheet has a separate sheet for Changing Structures showing some of the most recent major upheavals as pointers to areas to target.

In **Northamptonshire** for example, the Government stepped in to take overall control due to the dire financial circumstances of the councils and a major restructuring to form two new unitary authorities is underway. It is estimated this change will save £86m per year.

There is a new unitary authority in **Buckinghamshire**, launched only in April during the Covid-19 pandemic, which has brought together five district and county councils.

Essex County Council, which is Conservative led, wants to form a unitary authority incorporating **Basildon Borough Council** which is a Labour administration. Needless to say, as yet there is no agreement but it is worth watching to see how this develops as the change would surely open new possibilities for suppliers.

The **Lancashire** region has been told it should streamline its multi-layered local authority system as part of any future devolution deals, but councils have warned this may badly affect their services and communities.

Lancaster City Council said it was ‘concerned’ that any reorganisation ‘may undermine the delivery of key services to our communities, such as climate change mitigations and actions to address increased poverty and inequality'.

The devolution White Paper later this year is expected to encourage mergers of districts and the creation of unitary authorities within county boundaries. Again, watch out for this and there will be opportunities should changes occur.

Derbyshire County Council is considering plans to set up two joint ventures with **Suffolk County Council**. This, despite the distance between the two, shows a new approach.

If approved, the companies would deliver cleaning and caretaking services for **Derbyshire**, as well as design services for construction projects costing over £50,000.

Sheffield City Region has recently been granted devolved powers as the long-awaited devolution deal has come into law in July 2020 after initially being signed in 2015. The deal will see the city region handed control of their £35m education budget and given powers over transport, skills, housing and regeneration. The Sheffield metro mayor Dan Jarvis stated that the deal will give "millions of pounds in additional funding and new powers are available to support jobs and businesses, unlock opportunities for our people and deliver better public services".

Detailed proposals for creating a single unitary council covering the whole of **Leicestershire**, and abolishing the county's seven district authorities, have been published.

The 100-page draft blueprint compares the different options for a major restructuring of local government in the county, and concludes that the creation of a single unitary authority "offers the best opportunity to save money, reduce duplication and protect front line services."

It is estimated that bringing together the eight county and district councils into one unitary council would save **£30m each year**.

As can be seen from the above the pace of change shows no signs of diminishing. In fact, it is conceivable that the current pandemic and subsequent loss of income for councils will hasten change and more changing structures are inevitable.

Watch this space and start approaching relevant authorities with your innovative products and services.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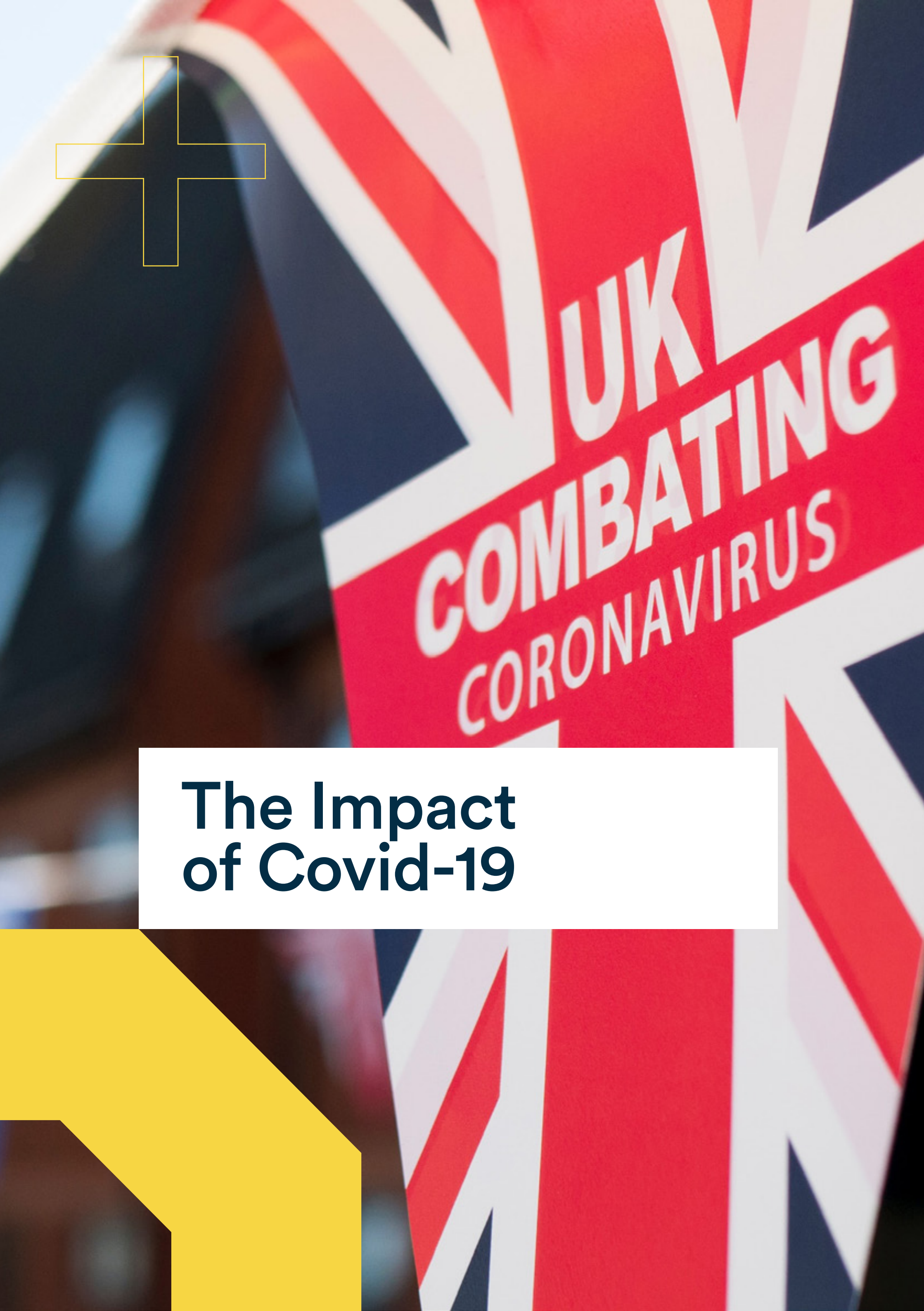

The Impact of Covid-19

As we have seen in Section 2 the funding model for UK local authorities has been changing in recent years. The central Revenue Support Grant has been drastically reducing, whilst councils have been allowed to retain a higher proportion of business rates. We are now at the 50% level and the intention is to increase this to 75%.

In usual times this may have increased potential revenues for some councils, although it has been recognised that certain areas have greater revenue potential than others. Hence part of retained rates are redistributed to other less fortunate councils.

Coronavirus has, hopefully temporarily, changed the landscape. Businesses have been forced to close their doors and business rates have been frozen, consequently so has a major portion of many councils' revenue. In addition, their revenue from providing services such as car parks has dwindled to practically zero.

Combine this with local authorities being at the forefront of delivering key services and support during the crisis such as adult and children's social care, buying protective equipment, housing the homeless and co-ordinating support for the vulnerable and you have an extremely challenging funding landscape.

Some councils have warned they will run out of money within weeks.

There are various estimates of the funding gap, with some figures as high as £10bn by the end of the year reported. A £3.5bn shortfall in social care alone is forecast.

Recognising the challenges and the dilemma, the UK government has looked to boost central funding for local authorities with several announcements of funds:

- £500m hardship fund for local authorities to help vulnerable people in their area
- £1.6bn additional funding announced at the end of March
- At least £1bn further funding announced in April
- £50m support for the recovery of high streets to re-open safely
- £617m to support local businesses fixed property-related costs
- £6.1m for Business Improvement Districts to recover

Councils however estimate that this is not sufficient and that an additional £1bn will be required just to cover the initial 3-month lockdown. This figure will rise the longer the crisis goes on.

In total, the government has provided over £27bn to support local councils, businesses and communities in fighting the pandemic, including £600m to help reduce the infection rate in care homes and £300m to support track and trace.

The Minister for Local Government, Simon Clarke has stated that the government was working on a "comprehensive plan to ensure councils' financial sustainability over the coming year".

Understandably, during the pandemic, original plans and priorities have had to take a back step in order to deal with the immediate issues. Slowly normality will resume however and this certainly does not mean there is no business to be done.

Crisis brings opportunities and innovative businesses will be able to identify opportunities. As we have seen there is still a lot of spending and investment in infrastructure including a real push to develop safe cycling routes.


STOP
THE SPREAD
OF CORONAVIRUS
PROTECT YOURSELF
AND OTHERS AROUND YOU
KEEP YOUR
DISTANCE

Summary

Budget cuts and the pandemic have certainly brought severe challenges to the UK Local Authority sector, yet at the same time they have led to new opportunities. As we noted earlier 'necessity is the mother of invention'.

In recent years with reducing Revenue Support Grants, councils have been forced to review their structures, improve efficiency and hone their commercial skills. Investing for future growth, thereby generating income to bridge funding gaps, is now commonplace. This has opened up the potential for collaborations and for innovative businesses to supply their goods/services.

Changing local authority structures necessitates rethinking commercial agreements and the way we do things. Investment in regeneration, infrastructure and housing have created vast projects and therefore potential.

In short, there are a myriad of opportunities with UK Local Authorities for Irish companies that have the right skills, technology, innovations and forward- thinking approaches.

We hope this report and the attached spreadsheet will have given you a flavour for the size of the opportunity and some ideas on the sectors to target. We have included specific projects to highlight the potential. The list is by no means the total opportunity, it is designed to give an insight into the potential for business with local authorities in the UK.

Appendix

Detailed Structure and Responsibilities of Northern Ireland's Local Authorities

List of Councils:

- Antrim and Newtownabbey
- Ards and North Down
- Armagh, Banbridge and Craigavon
- Belfast City
- Causeway Coast & Glens
- Derry and Strabane
- Fermanagh and Omagh
- Lisburn and Castlereagh
- Mid and East Antrim
- Mid Ulster
- Newry, Mourne and Down

Duties and Responsibilities:

- Waste collection and disposal
- Recycling and waste management
- Local planning functions
- Civic amenity provision
- Grounds maintenance
- Street cleaning
- Cemeteries
- Public conveniences
- Food safety
- Health and safety
- Environmental protection
- Environmental improvement
- Estates management - building design and maintenance
- Building control-inspection and regulation of new buildings
- Dog control
- Licensing, such as entertainment licensing

- Enforcement by-laws such as those around litter
- Sports, leisure services and recreational facilities
- Parks, open spaces and playgrounds
- Community centres
- Arts, heritage and cultural facilities
- Registration of births, deaths and marriages

Planning

- Local development plan functions
- Development control and enforcement

Roads

- Off-street parking (except Park & Ride)

Local economic development

- Start a Business Programme and Enterprise Shows
- Youth entrepreneurship (such as Prince's Trust and Shell Livewire)
- Social entrepreneurship
- Investing for Women
- Neighbourhood renewal funding relevant to enterprise initiatives

Local tourism

- Small-scale tourism accommodation development
- Providing business support including business start-up advice, along with training and delivery of customer care schemes
- Providing advice to developers on tourism policies and related issues

Heritage

- Control of alterations, extension and demolition of listed buildings
- Conservation area designation and management
- Listed building enforcement notices
- Compensation where listed building consent has been revoked or modified in issuing of Building Preservation Notices. This will allow a council to temporarily list a building for a period of six months pending Northern Ireland Environment Agency assessment of permanently protected status as a listed building. [This is commonly called spot-listing]
- Issuing notices to require Urgent Works to preserve a building
- Community listing (previously called Local Listing) of buildings of special architectural or historic interest

Local councils are NOT responsible for the following areas:

- Education
- Personal social services
- Roads
- Public housing
- Fire service
- Police service
- Trading standards
- Drainage water
- Sewerage
- Libraries
- Street lighting
- Collection of rates
- Transport
- Urban regeneration

These are all controlled by the Northern Ireland Assembly.

Go Exporting, is a specialist UK based export consultancy that successfully helps businesses to enter into new international markets. Mike Wilson from GoExporting wrote this report based on his experience, knowledge and research.

www.goexporting.com

Enterprise Ireland is the Government trade and innovation agency responsible for the development and growth of Irish enterprises in world markets. Enterprise Ireland is an international organisation with a network of 40 international offices, facilitating access to more than 60 countries worldwide. We have UK offices based in Manchester and London.

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