

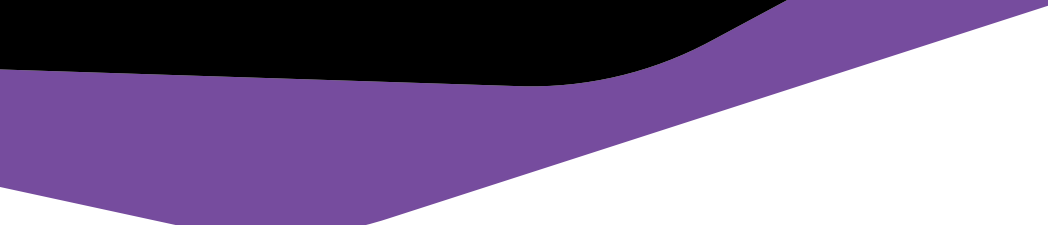


The Future of Local Government in Northern Ireland

Independent research report by Pivotal,
for and funded by NILGA.

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local government association



The Future of Local Government in Northern Ireland

This report considers the challenges and opportunities local government in Northern Ireland will face over the next decade. It asks what these challenges imply for NILGA's strategic role throughout the duration of its 2027-2031 corporate plan and beyond. Its central argument is that local government is entering a period in which external pressures will intensify, but where the sector also has important internal strengths on which to build, namely democratic legitimacy, local knowledge, delivery experience, financial resilience and a unique convening role in local communities.

The research began with horizon scanning of local government experience across Northern Ireland, Ireland, Scotland, Wales and England. A literature review identified a series of external pressures likely to shape the next five to ten years, across the UK and Ireland but with a high relevance to Northern Ireland. External pressures include public finance constraints, demographic change, climate and emergency resilience,

social cohesion, the relationship between local and central government, citizen expectations and wider public service reform. The literature review also identified internal sector factors that will determine whether councils can respond effectively to these challenges: democratic leadership, workforce capacity, openness to transformation, digital and data capacity, collaboration, governance, risk appetite and collective sector voice.

These themes were then explored through interviews with expert and practitioner voices from Northern Ireland, Ireland, Scotland, Wales and England, and tested for local relevance with a political focus group of councillors from across Northern Ireland. This structure is how the evidence has been marshalled and tested. Horizon scanning identified the pressures, then comparative analysis tested what has worked elsewhere, and, finally, local political discussion assessed what matters and what may be possible in the Northern Ireland context.

The evidence points to a complex range of interacting issues affecting local government in Northern Ireland. However, it also identifies a consistent set of issues that are likely to matter increasingly across the different contexts local government operates within: functioning central-local relationships; confident democratic leadership; strategic financial and risk management; proactive transformation and outcomes-focused improvements; access to future workforce skills; collaboration where scale adds value; and planning for demographic, technological, environmental and social change.

The central proposition of this research is that local government in Northern Ireland has demonstrated considerable resilience over the past decade. The challenge between now and 2031 is turning that resilience into readiness for the next decade and beyond: building the leadership, governance, relationships, skills and capacity needed to respond to future pressures - before crisis forces change. With this proactive stance, local government has the potential to play a fuller role shaping public service reform, leading placemaking policies and delivery, exploring more regional collaboration, and learning from neighbouring local government. NILGA's 2027-2031 Corporate Plan provides an opportunity for identifying the Association's distinctive contribution to meeting these challenges.

1. PURPOSE AND RESEARCH APPROACH



Local government in Northern Ireland is operating in an increasingly fast-paced and changing landscape. Rising service demand, new challenges and upcoming elections to both councils and the Northern Ireland Assembly mean there are significant challenges and opportunities in both the short- and long-term. How and when these are seized will be central to driving a transformed, efficient, effective sector that better delivers for citizens now and in the future.

The overarching question for this report is: how can local government thrive over the next five to ten years? Pivotal, the independent public policy think tank, was commissioned by NILGA to undertake this short research project. We have taken a forward-facing, strategic view of democratic and community leadership, fiscal sustainability, workforce challenges, sector-led improvement, local government's relationship with national and regional governments, place-based working, and the conditions needed for councils and local government systems to thrive and deliver effectively over the next decade.

Through our research, we uncovered emerging themes, future pressures and strategic issues and opportunities including governance, resilience, transformation, collaboration and implementing change. These themes were explored first through desk-based research from reports, audits and academic work focusing on local government and the public sector in the UK and Ireland, as well as international studies and comparisons.

Interviewee list

- Academic with local government expertise
- Local government leader in Scotland
- Local government analyst for UK and Ireland
- Local government leader in Ireland
- Local government leader in England
- Local government leader in Scotland
- Former public servant
- Local government leader in Ireland
- Senior Civil Servant
- Analyst and former councillor
- Local government analyst in NI
- Local government leader in Wales
- Local economic development practitioner and academic

We then undertook 13 semi-structured interviews with representatives, leaders and experts in local government, with experience across Northern Ireland, Ireland, England, Scotland and Wales.

The interviews have deeply informed this report: testing assumptions and analysis gained from the review of the literature and policy context, offering vital perspectives from different jurisdictions and sectors, and adding experience and expertise to assess the big picture challenges facing local government. The themes and findings of the literature review and the interviews were then discussed and reviewed in a focus group of councillors from local government across Northern Ireland. This group of experienced councillors provided invaluable analysis and perspectives grounded in the realities of local government in NI, and the competing priorities councillors face.

The report is intentionally exploratory and aims to encourage fresh ideas and strategic approaches. It uses comparative evidence, expert perspectives and local political discussion to identify the questions and approaches most relevant to Northern Ireland local government over the next decade.

Pivotal offers this analysis as an independent, non-partisan, public policy think tank, assessing the challenges and opportunities ahead. We hope the report provides an opportunity to learn from the experiences of local government across the UK and Ireland, assisting the sector to build on its current resilience and successes to deliver better outcomes for the citizens of Northern Ireland.

2. WHAT THE DESKTOP RESEARCH IDENTIFIED



The desktop research suggested that the future of local government in Northern Ireland will be shaped by the interaction between external pressures and internal sector capability. External pressures are the wider economic, political and

societal forces shaping the environment that councils operate within. Internal factors are the capabilities, structures, cultures and relationships within local government that determine whether the sector can respond effectively.

External Pressures Identified	Internal Factors for Consideration
Public finance constraint and uncertainty	Can councils demonstrate value for money, openness to transformation, and the strategic use of reserves?
Demographic change, ageing and rising demand	Does the sector have the workforce, skills and operating models needed for future service pressures?
Climate adaptation, emergencies and community resilience	Can councils build on their local delivery strengths and convening role to lead place-based resilience?
Social cohesion and trust in institutions	Are councillors supported to lead difficult local conversations and maintain confidence in democratic decision-making?
Devolution and public service reform	Can local government present a coherent strategic voice and make a credible case for subsidiarity and co-design?
Digital, data and AI change	Does the sector have the governance, skills and shared infrastructure needed to use technology safely and effectively?
Expectations of efficiency, collaboration and better outcomes	Can councils move beyond voluntary cooperation towards structured shared capacity where scale matters?

The distinction is not rigid. Many of the most important issues sit at the intersection between the external and internal. For example, climate shocks are external pressures, but the sector's ability to respond depends on internal capacity, local leadership and collaboration. The financial resilience of local government in NI is dependent on effective internal council management of resources, but the spectrum of what is possible will be defined by the national health

of public finances and the economy. The highly centralised character of government in Northern Ireland has been moulded by decisions made outside of local government, but the sector's influence depends on its internal ability to speak with collective clarity. Future-proofing local government also has to acknowledge the uncertainties around which issues are likely to matter most for local government in Northern Ireland.

3. CONTEXT: THE STARTING POINT FOR NORTHERN IRELAND LOCAL GOVERNMENT



Local government in Northern Ireland

Northern Ireland's councils have gone through various reforms to their structures and administration over recent decades. While core functions in local representation, service delivery and decision-making have not changed, their size, composition and powers have.

In 2015, as part of the Reform of Public Administration (RPA), significant public sector restructuring occurred as 26 local councils were rationalised into 11 'super-councils', with the number of councillors reducing from 582 to 462. The reforms sought efficiency savings, brought additional local government powers including planning, and introduced a general power of competence that gave councils broader scope to act and innovate.

Ahead of the ten-year anniversary of RPA's Local Government Act, the Department for Communities conducted a [review of local](#)

[government rationalisation](#) in 2024. It recognised many successes, including improved service delivery, greater community engagement and stronger governance. However, it also noted a number of workforce, integration and budgetary challenges, and concluded that it is too early to tell whether the change has been cost effective.

Several contributors reflected on the impact of the 2015 reforms. One interviewee suggested that some of the new councils can feel geographically and economically unwieldy, sitting between the local identity of the former borough councils and the scale needed to absorb further powers. By contrast, another public sector leader argued that the move away from 26 highly localised councils has encouraged more collaboration and new ways of working. Focus group participants felt that RPA had not fully delivered rationalisation in practice, with some councils still functioning culturally and operationally along old boundary lines.

In 2018, Westminster's Northern Ireland Affairs Committee called for either a Stormont Committee or independent review of local government **"finances and devolved powers"**. So far, no such review has occurred. Some voices who took part in this project suggested that valuable lessons could be learned from a review that incorporated both an assessment of the performance of local government since RPA and the capacity of councils to take on further powers.

The UK Government's City and Growth Deals have opened up new opportunities for local government to use UK and NI government capital funding to drive economic growth at a local level, working in partnership with the Executive, Whitehall and local industry. With four such deals in Northern Ireland, totalling £1.3bn, significant capital developments are being brought forward across all council districts, boosting jobs, growth and innovation.

Local government elsewhere in UK and Ireland

Despite some similarities, the local government landscape is markedly different in Northern Ireland than in Ireland, England, Scotland and Wales. Each nation's councils face different demands, financial contexts, challenges and opportunities. These differences are important when considering how NI can learn from other places.

In Ireland, for example, powers are broadly similar to Northern Ireland. There was a similar **rationalisation and reform programme** in 2014. Both jurisdictions on the island have highly centralised governments. However, the Irish Government is taking a much more pro-active role in local government reform. Its **Local Democracy Taskforce** seeks to strengthen local government across Ireland. The Taskforce is made up of councillors, members of representative and regulatory bodies, council Chief Executives and local government experts.

In July 2026, its implementation report was published, setting out comprehensive reforms which are underway across eight objectives.

Unlike in Northern Ireland, councils in Scotland have responsibility for education, including special educational needs, social care, housing and transport. They are **struggling to cope with a rising demand** for these services, particularly social care and SEN, putting financial sustainability at risk. Interviewees with experience of Scottish local government described this financial pressure as a driver for more radical transformation, arguing that existing models of delivery are no longer sustainable. Local authorities signed the **Verity House Agreement** with the Scottish Government in 2023, which sets out three shared priorities for central and local government to work together to tackle. Scotland also operates under the "local by default" principle, to maximise subsidiarity. The delivery of the Agreement, however, has been described by some as a **failure of central-local relations**.

Scotland's new **Programme for Government** promises a radical overhaul of local government after a speedy three-month review, alongside wider reconfiguration of the public sector and arm's length bodies and calls for greater collaboration. The Scottish First Minister's **assertion** that "some of our councils are too small to be strategic and some are too big to be local" presents the rationale for **proposals** that would see councils merge into larger "strategic regional authorities", with new community authorities, smaller than existing councils, delivering some local policies and services within this new regional settlement. The evolution of these proposals will be closely watched across the UK and Ireland.

Councils in England also have much wider responsibilities than in Northern Ireland and are facing the same financial challenges as in Scotland from rising demand for services. The sector is diverse and multi-tiered, comprising of town councils, county councils, district councils, unitary authorities, and combined authorities led by 'Metro Mayors'. Powers vary between these tiers, including education, transport, planning, social care, waste and housing. The new Prime Minister's devolution agenda will bring huge change to local government in England. Mayors will be given new powers and local authorities

will be able to retain parts of locally-raised revenues, granting them greater autonomy.

The strengthening of Mayoralities and regional/city government in England is ensuring that many of the challenges and lessons from having multi-layered government, long experienced in the devolved nations of the UK, are now applicable to England. The danger of local government's potential for delivery being squeezed by both regional and UK central government emerged as a significant theme in the research interviews.

4. EXTERNAL PRESSURES SHAPING THE NEXT FIVE YEARS



The research identified a number of external pressures that will shape the operating environment for councils over the next five years. These include public finance uncertainty, demographic change, climate adaptation, emergency response, social cohesion, central-local relations, public service reform and rising public expectations. These pressures are not faced by councils alone, but they will increasingly affect what councils can do, are expected to do, and how they are judged by citizens, partners and central government.

The interviews and political focus group suggest that Northern Ireland local government has important strengths in responding to these pressures: stability, local knowledge, the relative consistency and autonomy granted by rates income, reserve levels, community connections and a strong emergency response record.

However, these strengths will only translate into long-term influence if the sector can show that it is ready to lead, collaborate, transform and make evidence-based choices.

4.1 Fiscal constraint, financial resilience and public investment

Fiscal constraints are a clear external pressure shaping the next five years. While Northern Ireland councils are in a relatively stronger financial position than many counterparts elsewhere in the UK, they are still operating within a constrained wider public finance environment. NI Executive budget pressures, uncertainty around grant funding, inflationary costs and political sensitivities around district rates all affect the sector's ability to plan with confidence.

Unlike councils in [Scotland](#) and [England](#), Northern Ireland councils are not responsible for the most expensive demand-led services such as education, special educational needs and social care. This gives the sector a degree of financial predictability and resilience.

[Audit evidence](#) points to income exceeding expenditure in recent years and to reserve levels remaining above pre-Covid levels. This creates a potentially important strategic advantage: local government in Northern Ireland may be able to invest in transformation from a position of relative stability rather than being forced into crisis-driven reform.

However, this resilience is not guaranteed. Reductions or uncertainty in the Rates Support Grant, the absence of multi-year settlements, wider Executive financial pressures and local reluctance to raise rates can all restrict strategic planning. Interviewees and focus group participants highlighted the need for greater financial certainty, clearer long-term planning and a more mature public discussion about the relationship between rates, reserves, service quality and investment in change. One focus group participant said that while councillors have the power and autonomy to raise rates, they do not necessarily want to do so, which may become a significant constraint on council finances. There is also an argument that a comprehensive review of rates policy would provide stronger foundations for reform, based on new local economic realities.

Other jurisdictions provide useful lessons. Councils in Scotland and England are facing acute financial pressures because of wider service responsibilities and rising demand. [Scotland](#) and [Wales](#) have also explored revenue-raising tools such as [visitor levies](#) (commonly known as a tourist tax), and local government in England has been given the green light to charge the levy. Some interviewees were keen for local councils in NI to explore such potential revenue streams, and others including from council-owned land and other resources, while acknowledging that these will not be a magic bullet for local finances and that their impact will be unequal across

different authorities. These examples show the importance of matching any ambitions for [greater local responsibility with realistic funding](#), fiscal autonomy, capacity and risk management.

Key messages and emerging implications

- Financial resilience is a major strength for Northern Ireland local government, but it should be treated as a platform for transformation rather than a reason for caution or complacency.
- Rates income, reserve levels and fewer demand-led statutory services give councils more predictability than many counterparts in Scotland and England.
- Constrained NI Executive finances, Rates Support Grant uncertainty and the absence of multi-year settlements restrict strategic planning.
- Any future conversation about additional powers must be linked to funding, capacity, risk and the ability to deliver consistently across the sector.
- There are possible gains from a comprehensive review of rates policy and valuations.
- Councillors should feel confident in taking tough decisions on rates increases where necessary. These decisions should be informed by delivery need and improving outcomes.

Strategic implication for Northern Ireland local government: Financial resilience will need to be embedded more deliberately as the foundation of long-term planning, investments and approaches to risk. Any future transfer of responsibilities will require clear tests of funding, capacity, accountability and deliverability.

4.2 Ageing populations, rising demand and long-term sustainability

Demographic change, most significantly the ageing population, and rising demand are reshaping expectations of local government across the UK and Ireland. It is **projected** that next year (2027) Northern Ireland will have more people aged 65 and older than children under 16, and that between 2024-49 the population over 65 will increase by 45%. By 2049, there is projected to be a 126% increase in those aged 85 and over.

There are uncertainties and caveats behind these demographic projections, but they point to trends expected, to varying degrees, across the UK and Ireland and will set the context for many of the challenges local government will face over the next decade. Although Northern Ireland councils do not carry the same demand-led responsibilities as councils in Scotland or England – in for example social care or education – they will still be affected by population ageing, changing settlement patterns, economic inactivity, rural depopulation, pressure on community infrastructure and rising citizen expectations.

Experience elsewhere shows how quickly **demographic and demand pressures can affect financial sustainability** when councils carry high-cost statutory services. For Northern Ireland, the lesson is not that the same pressures will transfer directly, but that long-term sustainability requires earlier planning, better evidence, early intervention and prevention, and clarity about the consequences of any future transfer of powers.

Key messages and emerging implications

- The ageing profile of the population will affect councils even where they do not hold major demand-led statutory services.

- Rising citizen expectations will increase pressure for accessible, responsive and preventative local services. Lessons from Scotland and England show that additional powers must be matched with funding, capacity and risk management.

Strategic implication for Northern Ireland local government: Stronger regional intelligence on demographic change, demand and prevention will become increasingly important in helping councils and partners anticipate pressures and make realistic decisions about services, funding and future responsibilities.

4.3 Workforce pressures and the wider labour market

Workforce pressures emerge from both external and internal forces and policies. Externally, councils are competing in a tight labour market for specialist and professional skills. Across the UK and Ireland, councils face difficulties recruiting and retaining people in areas such as finance, audit, environmental regulation, digital, data and transformation. **Northern Ireland** is experiencing consistently low levels of unemployment and high economic inactivity, which combine to produce a low number of people available and seeking work. **Demographic change and an ageing workforce add to the pressure.**

Local government across the UK and Ireland struggles to recruit and retain specialist or **professional roles where competition from the private sector** makes attracting those with expertise difficult. According to the Ulster University Economic Policy Centre (UUEPC), 56% of councils report that retention issues have “some significant impact” on service delivery. These employment challenges create critical skills gaps, especially specialist skills such as managing transformation, digital and data, leadership and project management.

Apprenticeship routes offer an innovative solution to diversifying the workforce and increasing the number of younger employees. One interviewee noted examples in Ireland of high apprenticeship uptake in councils, and ongoing work to open routes into areas like [cyber security](#). The NI Communities Minister's new [Pathways to Work and Wellbeing](#) programme will be key to this agenda. The Prime Minister is also leading a drive to use apprenticeships to tackle [high levels of economic inactivity](#), and this approach could provide a template for a more strategic approach in local government.

The strategic question for Northern Ireland is whether the sector can respond collectively, rather than leaving each council to compete separately for scarce skills. Apprenticeships, shared specialist capacity and cross-sector workforce planning may all be required if local government is to meet future expectations.

Key messages and emerging implications

- Workforce challenges are shaped by the wider labour market, demographic change and competition for specialist skills.
- The pressure is likely to increase in areas central to transformation, digital, data, regulation, procurement and climate response.
- A council-by-council approach risks fragmentation and uneven capacity across the sector.

Strategic implication for Northern Ireland local government: Workforce pressures are likely to require a more coordinated response, including succession planning, apprenticeships, leadership development and access to scarce specialist expertise where council-by-council provision is unlikely to be sustainable.

4.4 Climate adaptation, emergencies and social cohesion

Climate adaptation, emergencies and social cohesion emerged consistently as areas of growing importance across the research. Environmental shocks, severe weather events, community tensions and wider societal change are increasing demands on public institutions. In this context, local government's stability, democratic legitimacy and local presence may become increasingly important assets.

Interviewees often raised local government's stability as a key asset. The frequent collapses of the NI Assembly and Executive significantly affect its resilience. The converse is true for local government – its uninterrupted leadership at the local level, and its strong track record of delivering services on the ground contribute to its stability and resilience. Despite wide political differences and frequent disagreements, councils are able to compromise and come to shared solutions in most cases. Local government can offer a positive example of cross-community leadership that is stable, enduring and that delivers for citizens.

[Social cohesion emerged as a key external pressure](#) that could affect local government resilience. Tackling these issues requires front-line capacity and an ability to adapt to changing circumstances. Within the next 25 years net migration is [projected](#) to add 35,000 to the population, but the overall population is projected to decline from 2031 onwards. The new diversity of communities across NI will form a vital part of the operating environment for all local authorities – through both the skills and capacity newcomers can bring, and the challenges to social cohesion evident in some areas across the UK and Ireland.

The [climate crisis](#) provides further challenges. Wildfires, flooding and droughts illustrate the kind of pressures local government may increasingly face. Interviewees and focus group participants recognised local government's emergency response capacity as a major asset, particularly because of councils' local knowledge, convening role and ability to communicate directly with communities. However, they also noted that in complex situations involving multiple organisations, messaging can become confused and risks can increase.

The sector's responsiveness to flash flooding, storms and other emergencies was described as one of its strongest contributions and its "jewel in the crown". As the work of Steve Pollard highlights, councils are often able to [convene key stakeholders](#), communicate with citizens and support delivery at moments when people most need visible local leadership.

Key messages and emerging implications

- Councils' stability and continuity of democratic leadership are distinctive strengths in Northern Ireland's wider governance context.
- The sector's emergency response capability is widely recognised and should be developed as part of a broader place-based resilience role.
- Climate adaptation, demographic change and social cohesion are external pressures that require internal leadership, coordination and capacity.
- Local government's proximity to citizens gives it credibility, but this must be supported by clear messaging, partnership working and democratic confidence.

Strategic implication for Northern Ireland local government: Councils' place-based role is likely to become more important as environmental and social pressures intensify, particularly in convening partners, supporting prevention, coordinating emergency response and maintaining community confidence.

4.5 Central-local relations, subsidiarity and public service reform

The centralised character of public services emerged from both the desktop research and interviews as a defining characteristic of the future role of local government. Northern Ireland remains a highly centralised system compared with many other jurisdictions, and councils are often brought into policy conversations too late. The challenge for the next five years is not simply whether powers should transfer, but whether central and local government can build a more mature relationship based on subsidiarity, co-design, shared delivery and trust. It is also clear that public service reform driven from the Executive, which could transform how key services are delivered over the next decade, risks excluding local government from co-design and from some of the potential benefits of this reform.

Experience elsewhere shows both the potential and the limits of formal partnership structures. Scotland's [Verity House Agreement](#), Wales's [partnership arrangements](#) and Ireland's [Local Democracy Taskforce](#) all demonstrate attempts to reset the relationship between central and local government. The lesson for Northern Ireland is that structures matter, but they only work when supported by political commitment, shared priorities, mutual respect and a clear evidence base for reform. Where these are not present, the [evidence suggests](#) progress and delivery become harder.

Key messages and emerging implications

- Northern Ireland's highly centralised system limits the strategic role councils can play in public service reform.
- Interviewees and focus group participants felt councils are too often involved after policy decisions have been made, rather than as co-design partners.
- Other jurisdictions show that central-local partnership structures require political commitment and a clear shared agenda to succeed.
- NILGA has an opportunity to lead a more mature conversation about subsidiarity, co-design, public service reform and the future role of local government.

Strategic implication for Northern Ireland local government: The quality of central-local relationships will increasingly determine the sector's influence over policy and public service reform. Earlier engagement, co-design, shared delivery, accountability and trust will all be important.

4.6 Digital change, data, AI and citizen expectations

Digital change, data and AI are external pressures that are changing citizen expectations, public service models and the wider operating environment. They are also internal capability challenges because councils will need the skills, governance, infrastructure and scrutiny arrangements to use technology well. The next five years are likely to widen the gap between councils that adopt digital tools safely and effectively and those that lack the capacity to do so.

Two different approaches to digital change emerged in the evidence: a centralised approach (such as Scotland's Local Government Digital Office) where all local authorities are supported, or a lead-and-follow approach, where councils with the capacity to innovate do so, and other councils can collaborate and follow.

The interviews strongly suggested that digital transformation should be framed around outcomes rather than technology itself. Ethical AI, data governance, workforce skills, councillor scrutiny and shared infrastructure will all be necessary if councils are to avoid fragmented approaches and ensure that smaller councils are not left behind.

Key messages and emerging implications

- Digital, data and AI are changing how citizens expect to access services and how public bodies organise delivery.
- Councils will need stronger internal capability to govern, scrutinise and use these tools responsibly.
- There is a risk of uneven progress between councils unless shared expertise and infrastructure are developed.
- NILGA can help frame digital transformation as a sector-wide strategic issue rather than a series of individual council projects.

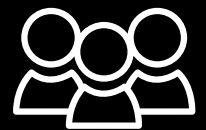
Strategic implication for Northern Ireland

local government: Digital, data and AI will increasingly require shared learning, ethical governance, democratic scrutiny and practical support so that innovation can be pursued responsibly in ways that improve services for the public, and uneven capacity does not widen across the sector.

Conclusion

Taken together, these pressures do not suggest a sector in crisis. On the contrary, Northern Ireland local government enters this period from a position of relative resilience compared with many neighbouring jurisdictions. However, resilience alone will not be sufficient. The strategic challenge for the period to 2031 is ensuring that resilience is translated into readiness for the economic, demographic, environmental, technological and governance challenges that lie ahead.

5. INTERNAL FACTORS SHAPING SECTOR READINESS



The external pressures outlined in Section 4 describe what is changing around local government. The internal factors in this section describe what may determine whether the sector is able to move from resilience to readiness. These are sector-wide considerations rather than a prescription for individual councils, but they will increasingly shape how effectively local government responds to future pressures.

5.1 Democratic leadership, governance and collective voice

Strong democratic leadership is key to the internal capacity and resilience of the sector. Councillors provide democratic legitimacy, set direction, take difficult decisions and help maintain public confidence in local government. Their already challenging role will become more

complex as the additional internal and external pressures outlined in this report develop. The evidence suggests that NILGA can play an enhanced role setting the strategic direction of the sector, asserting the collective democratic voice of local government within its development programmes.

Several interviewees highlighted the importance of recognising the “sacrosanct” differentiation in roles between elected members and officers. Councillors need the confidence and capability to set policy direction, scrutinise finance and risk, lead difficult conversations and make choices in the long-term interests of place. Strong democratic leadership will increasingly depend on capable professional leadership able to support implementation, assurance and delivery.

Key messages and emerging implications

- Councillors are central to democratic legitimacy, strategic direction and public accountability.
- The role of councillors is becoming more complex as councils face pressure on finance, transformation, digital, climate and community cohesion.
- NILGA's councillor development offer should be reframed as a long-term democratic leadership capability framework.

Strategic implication for Northern Ireland local government: Democratic leadership will become more demanding as councillors are required to set strategic direction, scrutinise finance and risk, lead transformation, govern digital change and make difficult long-term decisions in the interests of their communities.

5.2 Strategic finance, risk appetite and investment discipline

Financial resilience is not only an external context for local government, it is also an internal leadership and governance challenge. The sector will need to show how reserves, rates decisions, investment choices and transformation funding are being used strategically to manage risk, improve outcomes and make a credible case for greater autonomy.

This means moving beyond a narrow view of financial resilience as simply maintaining reserves or avoiding deficit. The research points to a more strategic question: how can councils use their **comparatively stable financial base** to invest in transformation, prevention, collaboration and long-term service sustainability? If reserves are used with discipline, transparency and political agreement, they will help councils modernise services, test new delivery models and make a stronger case for greater local autonomy.

There is also a leadership challenge. Rates decisions, reserves strategy and transformation investment are politically sensitive, but they are central to the credibility of the sector. Councillors need support to scrutinise financial choices, understand long-term risk and communicate why investment in change may be necessary even where headline finances appear relatively strong. NILGA can play an important role shaping a shared vision and strategic direction for local government that links financial stewardship with reform, improvement and outcomes for citizens.

Key messages and emerging implications

- Financial resilience should be treated as a strategic asset, not simply a defensive position.
- Reserves, rates decisions and investment choices need to be connected to transformation, prevention, long-term sustainability and delivering better services and outcomes for local citizens. Councillors should consider any rates-raising decisions in this light.
- The sector will need stronger political confidence and public narrative around why investment in change is necessary.
- NILGA can help councils develop shared principles for financial stewardship, risk appetite and transformation investment.

Strategic implication for Northern Ireland local government: Financial leadership will increasingly need to connect resilience with improved outcomes, transformation and prevention, supported by transparent decisions on rates, reserves, risk appetite and investment.

5.3 Workforce, skills and talent pipeline

The external labour market creates workforce pressure, but the internal response is within the sector's influence. Councils will need a stronger collective approach to [recruitment, retention](#), succession planning, apprenticeships and specialist skills. This is particularly important for transformation, digital, data, climate, procurement and leadership capability. The [Local Government Auditor](#) in NI also notes high sickness absence rates and some councils with an overreliance on agency staff.

The workforce challenge is not only about filling vacancies. It is about whether the sector has the right mix of skills, leadership capacity and future talent to deliver in a more complex environment. Councils will need people who can manage change, use data, drive effective procurement, develop strong partnerships, understand climate adaptation, engage communities and support elected members through difficult choices. These capabilities are unlikely to emerge consistently if each council is left to respond alone.

A collective workforce approach would also help the sector [address uneven capacity](#) between councils. Larger councils may be better able to attract specialist staff or develop internal transformation teams, while smaller councils may struggle to access the same expertise. Shared specialist capacity, apprenticeships, graduate pathways, secondments and sector-wide leadership development could help reduce that gap and build resilience across the whole system.

Key messages and emerging implications

- Workforce planning should be seen as a strategic resilience issue, not simply an operational HR matter.

- The sector is likely to need greater access to expertise in transformation, digital, data, climate, procurement, finance, governance and community leadership.
- There is a risk of uneven capacity between councils unless shared approaches are developed.
- NILGA can help convene a collective workforce conversation involving councils, SOLACE, professional bodies, education providers and central government.

Strategic implication for Northern

Ireland local government: A sustainable workforce pipeline and access to specialist skills will matter increasingly, particularly in transformation, data, digital, climate, procurement, finance, governance and community leadership. Shared solutions may be required where individual councils lack scale.

5.4 Transformation, digital, data and AI capability

Transformation is now at the heart of how government across the UK and Ireland is seeking to address increasing demand and other quickly changing external pressures. Interviews across the UK and Ireland consistently framed successful transformation as improving outcomes, access and sustainability, rather than simply reducing costs. Northern Ireland local government has an opportunity to approach transformation from a comparatively stable base, provided it can connect financial resilience, political leadership and delivery capacity.

Comparative experience offers useful lessons. [Scotland](#) shows how acute financial and service pressures can force reform, while Ireland and Wales point to the value of strategic frameworks, shared priorities and a clearer conversation

about the future role of local government. The lesson for Northern Ireland is to avoid waiting for crisis before designing the infrastructure needed for change.

Digital, data and AI are central to that transformation agenda. They offer opportunities for more accessible services, better use of resources and improved decision-making, but only if accompanied by ethical governance, councillor scrutiny, workforce skills and shared sector support. Without this, transformation risks becoming uneven, with larger councils moving faster and smaller councils lacking the capacity to keep pace.

Key messages and emerging implications

- Transformation should be framed around better outcomes for citizens, not simply savings or cuts.
- Northern Ireland local government has the opportunity to transform from a relatively stable base, rather than being forced into change by service collapse.
- Digital, data and AI present major opportunities, but require shared governance, ethical use, councillor scrutiny and sector-wide capability.
- There is a risk that smaller councils are left behind unless the sector develops shared infrastructure or lead-and-follow models.

Strategic implication for Northern Ireland local government: Transformation and improvement will need to become more systematic, focused on outcomes, implementation and learning, with shared expertise and support available where this adds value.

5.5 Collaboration, shared capacity and sector-led improvement

Collaboration is one of the clearest internal capabilities the sector must strengthen. The strategic issue is how to **balance the autonomy** of eleven councils with the benefits of acting collectively where scale matters. Local decision-making in touch with local priorities and contexts is a key strength of the sector, but often questions of scale and delivery require regional collaboration and joint approaches – this tension is in some regards unavoidable within the sector and requires flexible management. Interviews and focus group discussion suggested that collaboration can improve value, reduce duplication and increase specialist capacity, but only if the sector is willing to accept some trade-offs between local preference and shared benefits.

Examples from elsewhere show the value of shared procurement, shared services, shared digital platforms, shared payroll, shared specialist capacity and lead-council models. Scotland Excel, Ireland's shared services arrangements and sector-led improvement infrastructure elsewhere point to practical ways of building capacity without undermining local democratic accountability.

The focus group also highlighted barriers to greater collaboration: competition between councils, legacy boundaries within council areas, uneven capacity, and a tendency to wait for full consensus. Assisting to remove these barriers is a key role for NILGA, helping the sector identify where collaboration is strategically necessary, proportionate and capable of delivering better outcomes for ratepayers.

These barriers can be removed through sector-led improvement, where peer learning is further developed, including through measuring performance on key metrics alongside that of other councils. The “**earned autonomy**” model used by Arm’s Length Bodies reduces burdensome oversight while promoting good performance and best practice. Along with greater peer learning and benchmarking, this deeper approach to collaboration will facilitate a greater transfer of knowledge and collective sense of what works within the sector.

Key messages and emerging implications

- The sector faces a tension between balancing council autonomy and the benefits of acting collectively where scale matters.
- Shared procurement, digital platforms, payroll, and specialist capacity from elsewhere in the UK and Ireland show that collaboration can improve value and capability.
- Focus group participants recognised that competition between councils and legacy boundaries can inhibit collaboration.
- Sector-led improvement, peer learning, benchmarking and honest learning from failure could build confidence, reduce duplication and support proportionate autonomy from central government.

Strategic implication for Northern Ireland local government: A proportionate approach to sector-led improvement and collaboration could strengthen learning from other councils, assessment and accountability, while preserving local democratic accountability.

Conclusion

Running through all of these issues is the importance of governance: the ability of elected members and officers to take informed decisions, manage risk, provide assurance, maintain accountability and build public confidence in local government.

6. IMPLEMENTING CHANGE: FROM RESILIENCE TO READINESS



The evidence suggests that Northern Ireland local government has a significant opportunity to build on its established resilience and successes to address the issues identified in this report before a ‘burning platform’ forces it to. The 2027-2031 mandate provides a practical period within which to agree priorities, establish ownership and begin collective work.

The strategic shift to address this new environment will require political leadership, staff capacity and capability, partnership, outcomes focused delivery, and proportionate oversight. It will also require clarity about the respective roles of staff and councillors. Councils will continue to make local democratic and operational choices. When collaboration across council areas is required, regional bodies and partners should focus on shared evidence, assess where capacity and skills rest and leverage collective influence.

The successful implementation of change will in large part be dependent on a strong partnership between local and central government. As part of this process, some interviewees suggested a strengthening of the Partnership Panel, which brings Ministers and councillors together “**to promote collaboration and synergies**”. The Panel could be a vehicle for more meaningful co-design with councils, and a stronger strategic voice from councillors. There is also an opportunity to learn from the Partnership Agreements between local and central government being implemented in other jurisdictions. Even if a formal Agreement is not

required in NI, there are perhaps other learnings to be taken from how central-local government relations are formalised.

Successful implementation will also be assisted by learning from neighbouring jurisdictions. As interviewees consistently underlined, the precise operating environments for local government in England, Ireland, Scotland, Wales and Northern Ireland may be distinct, but they are facing many of the same structural challenges and opportunities. Northern Ireland’s neighbours are all also implementing reforms of their local government settlements or reviewing the performance of their sectors – this too provides an opportunity for learning and reflection for the sector in Northern Ireland. NILGA’s unique position offers it the opportunity to lead this process of learning from neighbours, through both formal engagement with sister organisations and a UK and Ireland lens for its analysis.

Key messages and emerging implications

- Change requires political leadership, officer capability, trust, delivery discipline and competent oversight.
- The sector’s resilience creates a rare opportunity to plan transformation before crisis forces it.

- Learning from success and failure elsewhere should become a structured part of NILGA's support offer.
- Local government needs to be able to build the capability, confidence and credibility to respond to external pressures and make the case for a stronger role.

Strategic implication: the issues identified in this report should form a common agenda for the 2027-2031 mandate. NILGA should use them to structure sector dialogue, test priorities and inform its own Corporate Plan, which should set out where NILGA can add unique value to implementing change.

7. STRATEGIC IMPLICATIONS FOR NORTHERN IRELAND LOCAL GOVERNMENT 2027-2031



Local government has a number of success stories to tell. With a unique understanding of issues on the ground, strong connections to their communities and a track record of delivery, it has proven itself as a stable, resilient and vital part of the public sector in Northern Ireland. Interviewees and focus group participants across the board saw clearly the untapped potential for local government to assert itself further as a key strategic partner in Northern Ireland.

The sector's ability to respond to emergencies and crises and its position as a hub for collaboration between the public sector, private sector and communities were praised and show the value of local government in the day-to-day lives of ratepayers. A number of interviewees and focus group participants said that many citizens may not even notice that they often only interact with council-run services in an ordinary day. This continuity of delivery is key to creating healthy communities.

However, the comparative research also points to challenges that local government systems across these islands are working through. These include future workforce planning, collaboration across institutional boundaries and the need for a clearer long-term approach to transformation. Regionally, for Northern Ireland, the relevance of these issues is that they merit collective consideration as expectations, technology and the wider operating environment continue to change.

Local government in Northern Ireland is, in many ways, different from the sector in other parts of the UK and Ireland. Its modest size, fewer powers and relative financial stability and autonomy mean it is shielded from many of the pressures and demands facing councils elsewhere. But there are still important lessons to be learned from these jurisdictions. Our interviews with leaders in England, Scotland, Wales and Ireland showed us their successes and failures in dealing with centralisation, coping with additional service demands, approaching transformation, and ways to shape the future of the sector.

At a pivotal time for local government, it is vital to balance the autonomy of individual councils with a single, strategic voice articulating not only the challenges facing the sector, but the solutions to them. The value of local government is its expertise in delivering services, and its understanding of local issues. But a big-picture view of what the sector needs to thrive, with councils working together across boundaries, will be more powerful and effective than if they work alone.

The evidence clearly points to the need for a regional strategic agenda for the 2027-2031 mandate. It does not prescribe how individual councils should organise or deliver services. Instead, it identifies the areas in which collective political leadership, shared evidence and stronger partnership with government are likely to become increasingly important.

Taken together, these issues point to a broader challenge. Local government in Northern Ireland has demonstrated resilience through a period of significant financial, political and societal change. The next phase is about readiness: ensuring that democratic institutions, leadership, governance and sector-wide capacity are prepared for the challenges likely to emerge between now and 2031.

The issues likely to matter most for local government by 2031

Taken together, the comparative evidence, expert interviews and local political testing suggest that a number of issues are likely to become increasingly important for local government in Northern Ireland over the next decade. Addressing them will require a combination of councillor and officer leadership, organisational capability and collaboration:

- Meaningful, structured and outcomes-focused relationships between central and local government;

- The confidence and capacity of councillors to work within a more complex governance environment;
- The ability to transform, improve and implement change before crisis forces action;
- A sustainable workforce pipeline and access to specialist skills;
- Collective approaches and shared capacity where they add demonstrable value without weakening local democratic accountability; and
- The foresight and resilience to prepare for long-term demographic, technological, environmental and social change.

These issues provide a framework through which elected members, councils, NILGA and government partners can consider what is likely to matter most over the next mandate and where collective action may add value.

8. RECOMMENDATIONS



1. Impactful central-local relationships.

By 2031, councils should be engaged early enough to shape relevant policy and public service reform, not primarily asked to support implementation after decisions have been taken. The sector should seek impactful approaches to co-design, subsidiarity, shared delivery and accountability. Any future transfer of responsibilities should be tested against funding, capability and democratic legitimacy.

2. Sector-led improvement and transformation.

By 2031, a sector-wide approach should be driving peer learning, benchmarking and implementation support. Any model should focus on outcomes and be designed with councils and sector partners.

3. Democratic leadership.

By 2031, elected members are likely to face new complex and competing priorities, with increasing tension between their roles as local representatives and wider strategic challenges. Therefore, councillors will need access to a coherent NI-wide development framework that complements council provision and supports leadership on finance, risk, transformation, digital scrutiny, community confidence and long-term choices.

4. Collective approaches where scale matters.

By 2031, the sector will increasingly need to make the case for regional collaboration, particularly where councils face shared risks, scarce specialist skills, duplicated infrastructure or opportunities to improve outcomes and value. Collective arrangements should preserve council autonomy and local democratic accountability.

5. Sustainable workforce and specialist skills.

By 2031, local government is likely to need a stronger talent pipeline and more coordinated access to the skills needed for transformation, digital, data, climate, procurement, finance, governance and community leadership. Shared approaches should supplement individual council capacity where scale is limited.

6. Local leadership, resilience and prevention.

By 2031, councils are likely to need greater recognition and support as local leaders able to convene partners, support prevention, coordinate local resilience and maintain community confidence as environmental, demographic and social pressures change.

7. Governance, accountability and public trust.

By 2031, financial pressures, transformation programmes, digital technologies and partnership working will have become more complex. Effective scrutiny, clear accountability and informed democratic decision-making will be increasingly important in maintaining public confidence and strengthening local government's role within the wider public sector.

8. The future role of local government.

By 2031, the sector should have developed a shared view of the future role, powers and contribution of local government in Northern Ireland. This should inform engagement with central government, future reform discussions and any consideration of additional responsibilities.

9. Sustainable local government finance.

By 2031, the sector should have developed a stronger evidence base and collective position on the future sustainability of local government finance, including rates policy, fiscal autonomy and potential revenue and rates raising opportunities.

10. Implications for NILGA.

These themes should provide the strategic evidence base for NILGA's 2027-2031 Corporate Plan. NILGA's contribution should focus on the areas where it can add distinctive value through democratic leadership, collective voice, convening, shared learning and sector influence.

By the end of the mandate, progress should be visible in the quality of central-local engagement, the confidence of democratic leadership, access to specialist expertise, the effectiveness of transformation and improvement support, and the sector's ability to act collectively where there is a compelling regional case. This can provide the foundations for success in the next ten years and beyond.

Commissioned by NILGA, this report was researched and written by Pivotal, the independent public policy think tank. Pivotal aims to contribute to improved policy making in Northern Ireland.

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