CIPFA The Chartered Institute of Public Finance & Accountancy

Leading through the cuts

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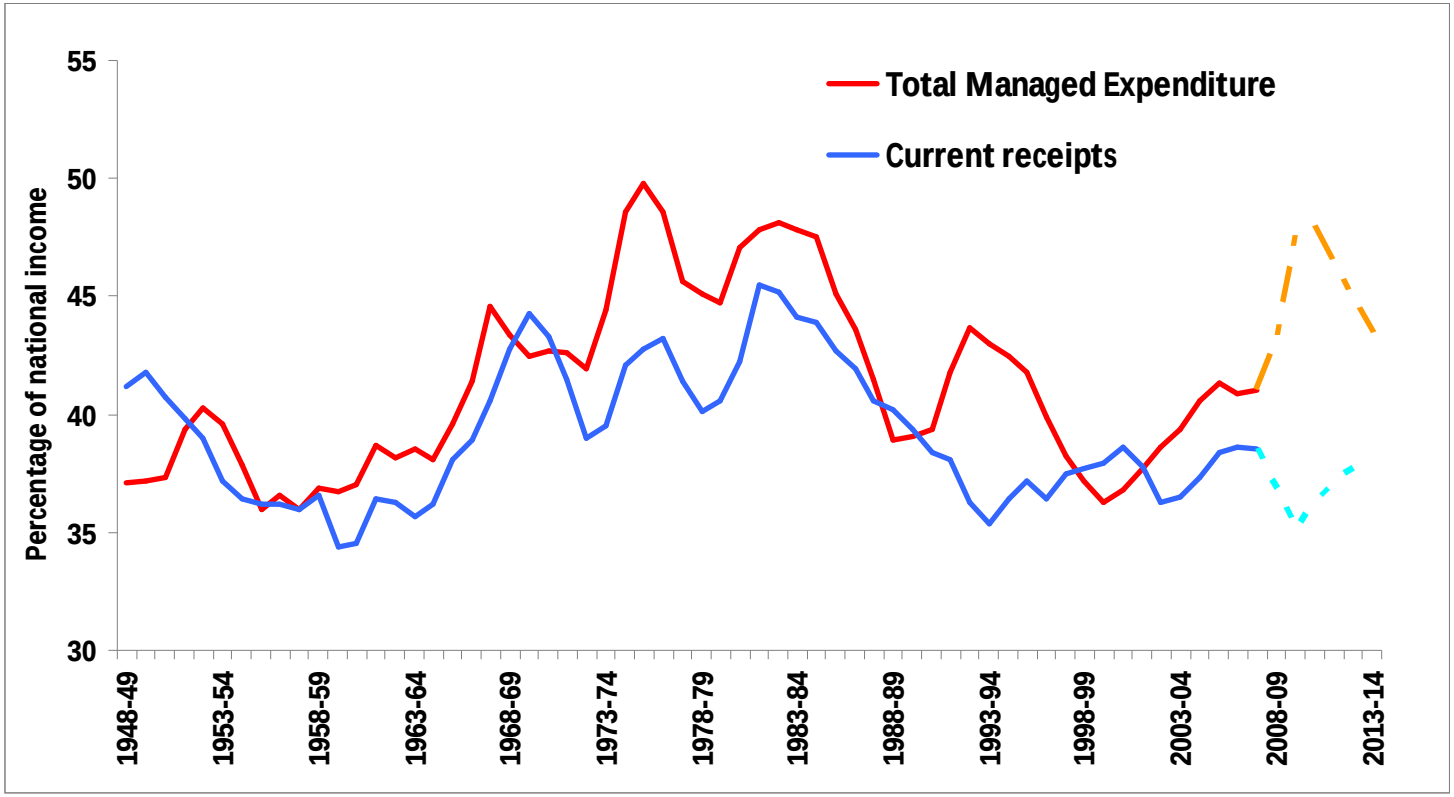
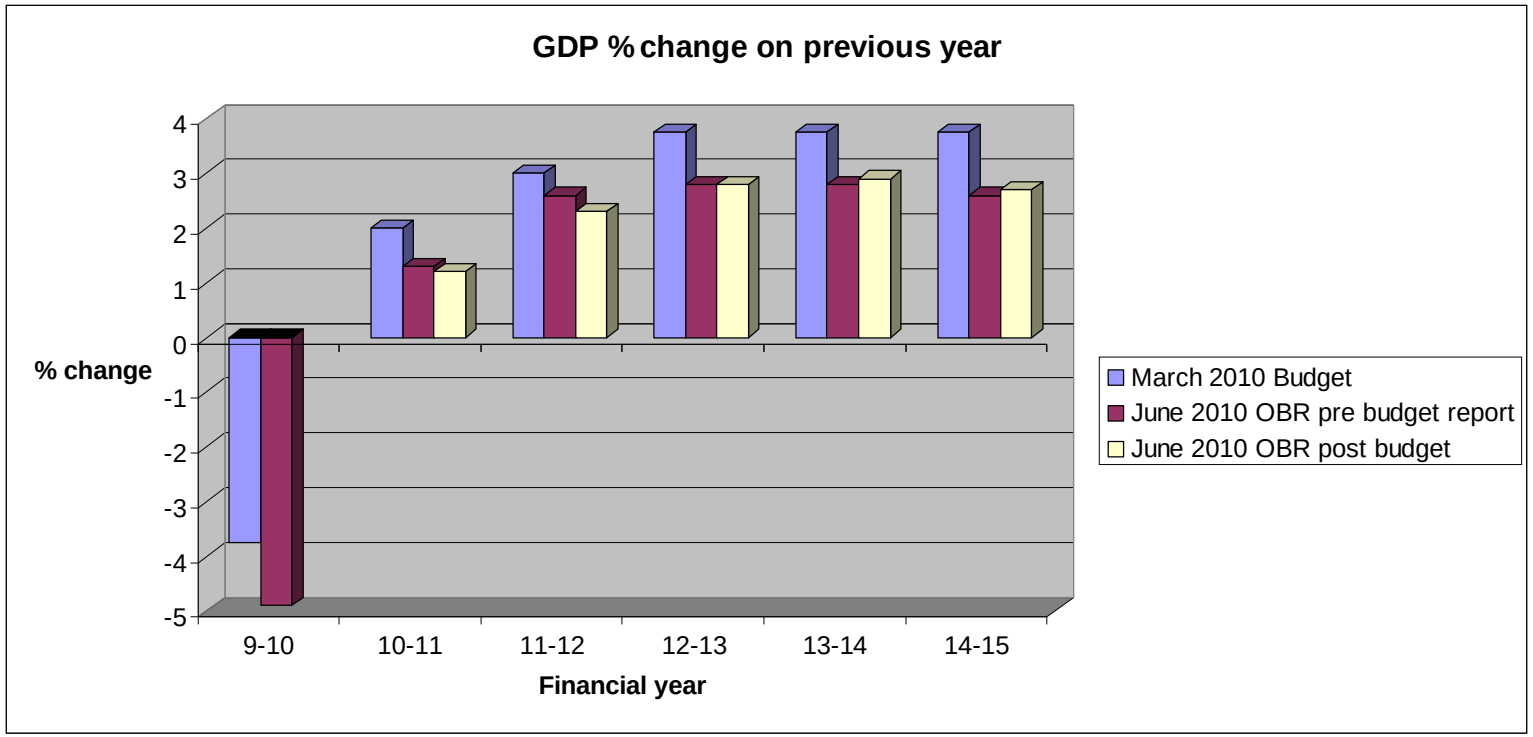
After the Downturn

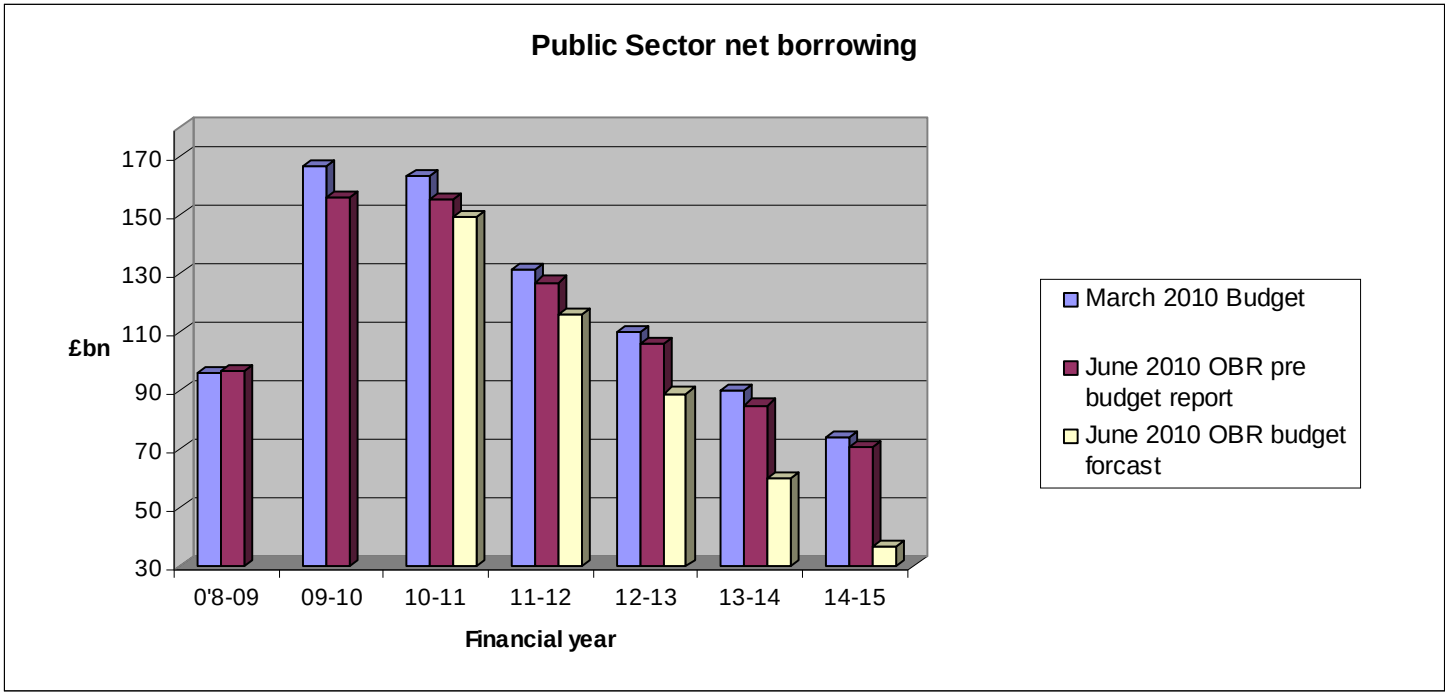
Mind the Gap


Total Managed Expenditure
Current receipts
Percentage of national income
55
50
45
40
35
30
1948-49
1953-54
1958-59
1963-64
1968-69
1973-74
1978-79
1983-84
1988-89
1993-94
1998-99
2003-04
2008-09
2013-14

Growth Forecasts



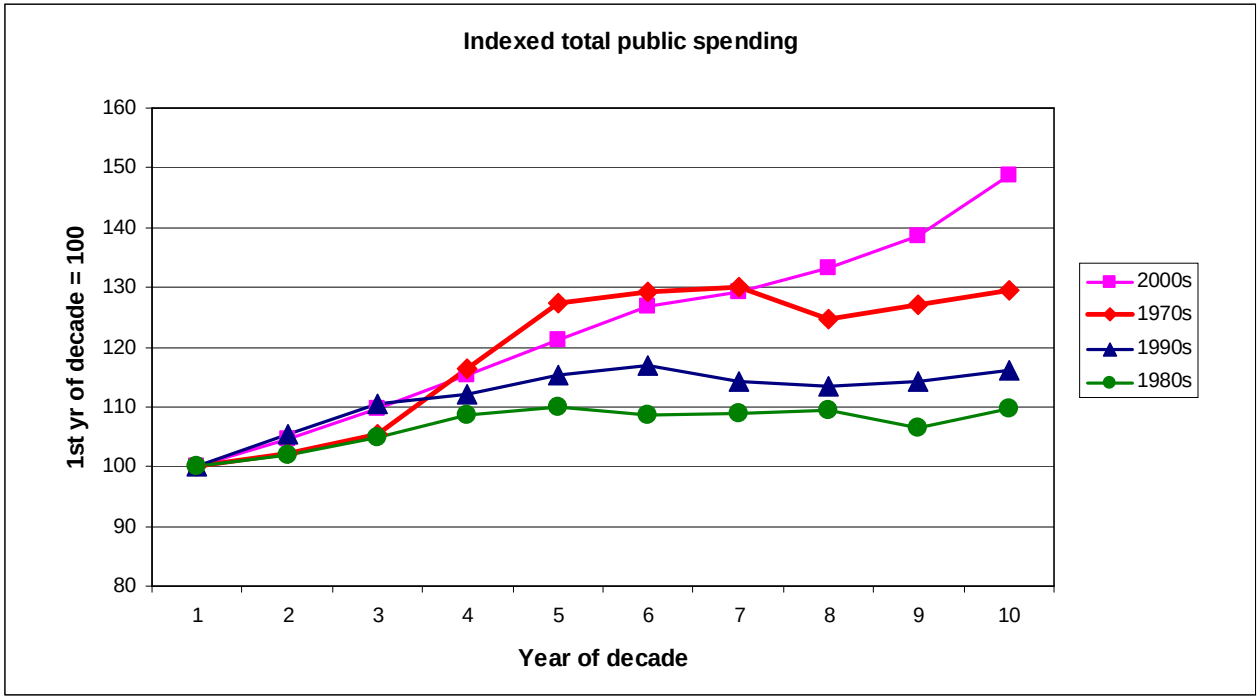
The Rebalancing Challenge



Forecasting Spending Cuts

Table 1		
	Scenario A	Scenario B
Aggregate level of cuts over 3 years.	-7.5%	-15%
Annualised aggregate level of cuts.	-2.5%	-5%
Likely range of growth/cuts for individual services/ sub sectors following national decisions about priorities (annualised).	0 to -5%	0 to -7.5%
Likely range of growth/cuts for individual services following local decisions about priorities (annualised).	0 to -7.5%	0 to -10%

Total public spending, in real terms



Strategic Options

- Redefining the relationship between the State and the individual?
- A significant de-layering of the public sector with many more decisions taken locally with minimal oversight?
- A major initiative to maximise economies by much more effective collaboration between public bodies?

Key risks

- Double dip?
- The strength of the Coalition?

Delivering the Plan

After the Election – What needs to happen now? - I

1. We need leadership
2. We need a plan
3. We need early action
4. We need transparency and equity
5. We need to be clear about political and managerial accountability
6. We need to get people engaged

After the Election – What needs to happen now? - II

7 We need to protect people not services or organisations

8 We need a big team effort

9 We need to manage risk

10 We need essential change not change for change's sake

11 We need to simplify, not complicate

12 We need long term fiscal discipline

Leading in Hard Times

A different style of leadership

1. Engage and Communicate
2. Know where your costs are now
3. Understand where value lies
4. Understand funding scenarios
5. Identify options for change
6. Build a vision of how you will look
7. Create a balanced portfolio of change projects
8. Implement effective financial and risk management
9. Build the capability to change
10. Ensure that governance is fit for purpose