Eric Pickles shows us what's really wrong with local government [1]

Written by **Tim Worstall** [2] | Wednesday 26 December 2012

It is the season to be talking about taxes isn't it? After all, yesterday's historical events took place where they did as a result of the coralling of the population to work out how many could be taxed. Which gives an opportunity to highlight how Eric Pickles illuminates exactly what is wrong with local government finances.

This is a super little paper [3] with 50 ways that councils can save the taxpayers' *denarii*. Hire out the town hall for weddings, don't order mineral water at meetings, use tap. Make sure meetings aren't over lunch so that no lunch need be provided. Stick a coffee shop in the library (well, why not, bookshops have cafes now!). A couple in more detail:

> Share back office services: from planning to press, from HR to legal. Does the country really need 350 different business rate collection departments?

Yes, fine with that: very similar in the business world. Not every company has a payroll department for example, there are plenty of subcontracting companies to do that for you.

Close council cash offices: Instead allow residents to pay bills in local post offices.

> Sure, why not? In the same way that you can pay your other bills at the post office. Who really needs a network of cash offices when someone else will do it for a small fee?

> Scrap trade union posts: Get rid of unnecessary non-jobs such as taxpayer-funded, full-time trade union ?pilgrim? posts.

That'll please Guido no end.

> Cease funding ?sock puppets? and ?fake charities?: Many pressure groups - which do not deliver services or help the vulnerable - are now funded by state bodies. In turn, these nominally ?independent? groups lobby and call for more state regulation and more state funding.61 A 2009 survey found that £37 million a year was spent on taxpayer-funded lobbying and political campaigning across the public sector.

Chris Snowdon is already celebrating that one over on his own blog [4].

> Across the country there are hundreds of council-run MOT test centres which are used to check council vehicles like taxis and buses for their safety and roadworthiness; these centres can also open their doors to the public to provide MOTs to the wider public: this is a far better way of making money from motorists than the lazy way of hiking parking charges.

Yes, absolutely, sweat your assets.

Now you might think that this is just wonderful, central government telling people how to save money. But that's actually what I would complain about. No, not that they're saying it, but that having it said is

necessary. For what this is actually showing us is that local government doesn't currently contain the incentives for those running it to reduce costs. As opposed to what happens in for profit businesses. Half that list above is the sort of thing that every business is always monitoring. What do we have that can bring in additional revenue? Have we spare capacity somewhere? Are we wasting money on this or that?

That local government needs to be told to do these things shows that the correct incentives just aren't in place in local government. Which is, I hope we would agree, something of a problem.

Pickles signs off with this Hayeckian point:

> And finally? ask your staff for more sensible savings ideas: Your staff will be the most informed and actually the most enthusiastic about cutting waste. Give a prize for best staff ideas for efficiencies. Allow staff to submit anonymous ideas too.

Yes, knowledge really is local. The people actually doing things will be the people who know how to do them best. Provided those incentives are in place of course. The thing that really provides incentives being a market structure of course.....

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