

Councillor Hargreaves,

Portfolio Holder for Finance and the Economy

Report for Council 5 December 2023

The Autumn Statement

it was disappointing that the Autumn Statement failed to address the now chronic under provision of funding needed to protect the services the people in our communities rely on every day.

There is a proposed new planning service allowing local authorities to recover the full costs of major business planning applications, as long as faster timelines are met. It appears this is only for business applications, not housing, so this would be of little benefit to this council. The Chancellor also pledged £32m to clear the planning backlog to develop housing in Cambridge, London, and Leeds. Why just these areas is unclear, but it will not be of use to us and the rest of the UK, and possibly a disadvantage if it sucks planning resource away from neighbouring authorities.

A further tranche of £450m is being allocated to the Local Authority Housing Fund. This is for local authorities to obtain accommodation for families with housing needs who have arrived in the UK via Ukrainian and Afghan resettlement and relocation schemes. In the Round 2 Determination (31 August 2023, Tranche 1) UDC received £305,256 from this fund.

The cut of 2% in National Insurance for employees is welcome for council staff, but there is no reduction in the burden on employers, which is 13.8% on salaries above the £175 a week threshold. Staff costs are a major part of all councils expenditure.

The government is adding another £3 billion of loan guarantees to the existing Affordable Homes Guarantee Scheme 'which will help the scheme deliver 20,000 new homes, as well as improving the quality and efficiency of thousands.' This is for Housing Associations not local authorities and so does not benefit our social housing provision. Although interest rates have recently fallen slightly, they still remain around 5.5% from the PwLB, at which level it makes new council house building financially unviable if it is to be funded from borrowing.

Councils have for many years had their finances very largely controlled by government, which sets business rates, restricts council tax rises, and provides annual settlements much too late for the budget cycle, instead of setting out finances on a long-term basis. It micromanages, for example, what can be charged for most planning application fees, prevents councils charging for planning applications on listed buildings, and determines how much parking fines can be. The various levelling up schemes, which councils apply for and administer, and distribute according to the rules and what is applied for, are not for the support of essential council services.

Devolution

In a letter on Devolution, 21st November, from the Levelling Up Minister Jacob Young, there is stated an intent to set up a new body, the Greater Essex Combined

County Authority (CCA). The admin would be funded by £1m from the government and its function it appears would be to allocate funds devolved to it for capital purposes. £24m is proposed in 24/25 although it is not stated if this is new money or a reallocation of existing funds. The government has announced that it will cease core funding of Local Enterprise Partnerships from April 2024 and for the LEP functions to be delivered by local authorities. SELEP is also based at the ECC office in Chelmsford, and it is not clear if the offered funding is a reallocation of funding which would have gone to SELEP. In the latest published accounts for 2020 SELEP spent £88 million, funded from government grants.

Lower tier authorities would be consultees on CCA spending but the decisions would be taken by Essex, Thurrock and Southend councils.

Parking

A forum was facilitated in November by UDC and brought together representatives from key partners including Essex Police, Essex Highways, Trading Standards, North Essex Parking Partnership, a representative of our Member of Parliament, the parishes most affected, and the airport, as well as a number of senior officers from the council.

The purpose was to discuss the nature and scale of the air-airport parking problems, the enforcement and regulatory tools available across agencies to tackle the problems, and to talk about options to resolve them. The area where UDC has direct powers is planning enforcement and officers reported on their actions to stop the use of unauthorised parking lots.

This is a long-running and complex set of issues and there is no magic solution – if you crack down on one aspect, the problem pops up elsewhere. But I'm hopeful we and the parishes can work with the various agencies to make some improvement in the situation for our residents. Good news revealed at the forum is that Stansted Airport has £200k available to spend on projects. Although attention has currently moved to our off-street parking, and indeed the Local Plan, the intention is to go back to the parishes, to see if wider schemes, supported with the airport funding, can get community support and fit the NEPP criteria.

Cllr Neil Hargreaves