Browne Jacobson

# Browne Jacobson's public sector lawyers' reaction to the Autumn budget 2024

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The Autumn 2024 budget reveals significant government investment aimed at addressing pressing needs in education, housing, and healthcare, and we offer a detailed analysis on the potential impacts.

With £1.4bn allocated annually for rebuilding schools, the firm’s Senior Associate Peter Jackson highlights the longstanding demand for such updates, amplified by safety concerns from the reinforced autoclaved aerated concrete (RAAC) crisis. Browne Jacobson experts also comment on other key budget components, including expanded free breakfast clubs, employer national insurance adjustments, SEND funding increases, fiscal rule shifts, affordable housing investment, and healthcare capacity expansion. Together, it represents the government’s attempts to tackle systemic challenges in vital public sectors while grappling with financial constraints.

Comments from:

- Education lawyers
- Government lawyers
- Health and life sciences lawyers

# Education

**Commenting on the government’s announcement that £1.4bn will be allocated to rebuild 50 schools in England a year, Peter Jackson, Senior Associate at UK and Ireland law firm Browne Jacobson, said**: *“A commitment to ramp up the school rebuilding programme will of course be welcomed by school leaders, who have long been trying to draw attention to the outdated and potentially dangerous buildings on their sites – an issue that finally came to the fore in the reinforced autoclaved aerated concrete (RAAC) crisis that many believe is just the tip of the iceberg.*

*“Low confidence within the construction industry, resulting from high inflation and interest rates, has led to delays in getting the programme running at full speed, so extra funding should help ignite greater interest for projects.*

*“Whether the funding pledged will be enough to truly address an acute problem remains to be seen, however. The last major building programme in education was underpinned by the private finance initiative (PFI), which helped deliver almost 1,000 schools during the 1990s and 2000s.*

*“PFI was cancelled in 2018 after receiving criticism for issues including perceived poor value for the taxpayer and windfalls for investors that refinanced debt at lower rates following the riskier construction phase.*

*“But with the National Audit Office last year identifying 24,000 school buildings as beyond their initial estimated design life, it’s unlikely the state will be able to fund a programme of this scale on its own.*

*“Therefore, the government must identify a new private finance model that learns from the mistakes of PFI to ensure the public purse receives better value and control, while remaining attractive to the private sector – and can ultimately help bring our school estates into the 21st century.”*

**Commenting on the enhanced rollout of free breakfast clubs and rise in employer national insurance contributions, Tom Wallace, Deputy Head of HR Services at UK and Ireland law firm Browne Jacobson, said**: *“While schools will welcome the benefits* *that tripling the free breakfast club rollout will have on parents, this will likely lead to staff resourcing issues at a time when they are already grappling with a recruitment and retention crisis across all roles.*

*"Coupled with the headache caused by a rise in employer national insurance contributions, we may approach a situation in which staff are being asked to work beyond their usual hours on more occasions while at the same time find their opportunities for pay progression are limited due to the tighter financial constraints engulfing schools.*

*"The need for schools and academies to take a fresh look at how they can make the teaching profession in particular more attractive has therefore never been more important if they are to keep hold of their best talent, an issue that is often cited as a primary objective in our School Leaders Survey.*

*"Embracing out-of-the-box thinking could help bring small changes that reap big rewards in making the teaching profession more attractive, helping it to compete better against other vocations that may be able to offer higher salaries, better benefits and greater flexibility.*

*"For example, we've greater flexibility provided around working hours, with some schools trialling a nine-day fortnight – with no pay reduction – or allowing staff to work from home for a handful of hours every week or fortnight to carry out administrative tasks such as marking and lesson planning.*

*"Some schools have also allowed job-sharing so that teachers can work part-time hours, which is particularly popular with parents of young children.*

*"There is also potential to improve salaries and benefits by making changes to contracts of employment, such as reducing the lengthy period in which staff can receive full and half their pay during sick leave in favour of increasing basic salaries or improving pay progression terms. Academies are able to diverge from the Burgundy book for conditions of service for teachers, but often don't take advantage of this ability.*

*"With only 59% of teachers remaining a decade after qualification, these are just some of the ways schools can be innovative in their approach to recruitment and retention."*

**Commenting on special educational needs and disabilities funding, Laura Thompson, Senior Associate at UK and Ireland law firm Browne Jacobson, said:** *"It's refreshing to see SEND placed at the centre of the education agenda, and commanding a significant slice of the core schools budget, given the acute nature of the challenges facing the SEND system.*

*"Parents, as well as school and local authority leaders, will be eager to hear more from government about its plans for reform and how it envisages government will ensure investment in a system that currently costs £10.7bn a year can be spent better, as called for in the National Audit Office's recent report.*

*"Special school places are at a premium and mainstream schools have been struggling to support pupils with increasingly complex levels of SEND for far too long. It is no coincidence that there has been a 24% increase appeals to the SEND tribunal and a 71% increase in disability discrimination claims in the 2022/2023 academic year, compared to the year before.*

*"It will be interesting to see how the investment can be realised in 'real terms' and whether it will alleviate the pressure on the SEND tribunal.*

*"Whilst the level of funding is significant, it is – unfortunately – only likely to paper over the cracks of a system that requires longer-term investment and, as the NAO report highlighted, requires whole-system reform. When special schools say they are 'at capacity', they mean it.*

*"DfE guidelines make clear that 'medical and therapy rooms … are essential to supporting teaching and learning'. But we are increasingly hearing about special schools that have converted every last morsal of space to try create viable teaching spaces in buildings designed for significantly less pupils, which includes spaces such as therapy rooms.*

*"The signal of prioritisation of the SEND system in today's announcement of a £1bn investment is a welcome start but, just as the government is launching a 10-year plan for the NHS next year, it needs to quickly follow up with a plan for reform of the SEND system to make it work better for all stakeholders – as is so desperately required by those most in need.*

*"Reform must be backed with an ongoing commitment to ensure adequate and well-directed funding in order to drive investment in early intervention provision, enable mainstream schools to better support SEND pupils, allow special schools to provide for those pupils with the most complex needs, and increase integration between education, health and children's social care."*

**Nathalie Jacoby-Danesh, Partner in the higher education team at UK and Ireland law firm Browne Jacobson, said:** *"The Autumn Budget lacks any express, meaningful financial support for higher education, such as direct support for struggling institutions, an inflationary rise in tuition fees or explicit mention of reducing the research funding gap.*

*"It remains to be seen how any funding envelopes on core research, innovation clusters, further education, and the growth and skills levy may assist universities to balance the books.*

*"It is clear that institutions must continue their drive to maximise their own assets. Success in commercialising research rests upon the development of an innovation lifecycle strategy that is aligned with research strengths, ensures intellectual property is effectively recorded and protected, while keeping an open mind on the best routes to monetising knowledge.*

*"We also expect closer collaborations between institutions to take place, ranging from shared services to formal mergers. We would anticipate institutions to collaborate increasingly in large metropolitan areas or regions across the tertiary sector, or along subject specialism lines."*

**Government**

**Commenting on changes to how the Treasury measures debt and an additional £500m funding for the government's affordable homes programme,** Peter Ware**, Head of Government at UK and Ireland law firm Browne Jacobson, said:** *"Fiscal rule changes that unlock borrowing for infrastructure investment are long overdue, while social landlords will be energised by extra funding and five-year fixes to rent increases – but these only represent a small part of the jigsaw if we are to solve Britain's economic growth puzzle.*

*"The bigger picture ultimately requires government to set the conditions that are conducive to private sector investment, which can effectively supplement any new public funding to improve the social apparatus that influences livelihoods.*

*"Investors tell us they have the funds ready to inject into projects with a positive social purpose as part of their broader mission, and are yearning for a return to the type of investment environment that was evident in the 1990s and 2000s.*

*"At the time, the private finance initiative (PFI) provided a gateway for public and private sector partners to join forces in delivering vital public infrastructure, such as schools, roads and hospitals.*

*"PFI was cancelled in 2018 after receiving criticism for issues including perceived poor value for the taxpayer and windfalls for investors that refinanced debt at lower rates following the riskier construction phase.*

*"In the absence of any replacement, we are now falling behind other major economies in delivering infrastructure, with the assets we do build being both the most expensive and delayed in the G7.*

*"Therefore, if the new government is serious about its mantra to 'invest, invest, invest', it must identify a new private finance model that learns from the mistakes of its predecessor to ensure the public purse receives better value and control while remaining attractive to the private sector.*

*"Alternative models are emerging and worthy of further exploration. In particular, the Future Governance Forum's recent* ***proposal for infrastructure investment partnerships*** *takes lessons from the non-profit distributing model deployed in Scotland and mutual investment model in Wales to place a greater emphasis on community benefits in any project, cultivates a culture of long-term collaboration and gives local areas more control over their infrastructure.*

*"A joined-up strategy that can harness greater public and private investment will help the government in its stated mission to foster sustainable growth, enhance national connectivity, and drive innovation – the building blocks of a resilient, forward-looking economy."*

**Commenting on updates to the Local Government Finance Settlement,** Peter Ware**, Head of Government at UK and Ireland law firm Browne Jacobson, said:** *"Local authority leaders have for a long time called appealed to government to provide certainty over their funding settlements to help with long-term planning and for an end to competitive funding pots, which favour those councils best equipped for bidding.*

*"Now that the government has signalled an intention to move towards multi-year funding settlements that integrate previous grant funding pots, it's crucial that local authorities get their act together so they're able to demonstrate where funding is needed, as this will be crucial to their ability to access new public funding.*

*“The reason why such small amounts of Levelling Up Fund, Towns Fund and Shared Prosperity Fund money has been spent is because many councils haven’t known how to spend it effectively within the perimeters of those programmes.*

*“With greater scrutiny over value for the taxpayer on the horizon, government will want to target shovel-ready projects, or at least a clear path towards such schemes. This means local authorities must develop a coherent picture of the greatest investment needs within their areas, and a clear plan for how they would spend any new funding to improve the lives of their populations.”*

**Health**

**Carly Caton, Partner specialising in commercial healthcare at UK and Ireland law firm Browne Jacobson, said:** *“Any new funding that helps to add capacity will of course be welcomed within the NHS but to prevent this just being a sticking plaster, we must also identify new avenues to generate additional revenue for trusts and their NHS patients.*

*“The government should actively encourage trusts, backed by funded support programmes, to develop a commercial mindset and explore how to maximise their available resources, while simultaneously improving healthcare services for the general public.*

*“Increasing private patient activity within NHS hospitals is one of the easiest routes to achieving this. Most trusts already do this to some extent with private patient units but these tend to be relatively small, meaning they provide untapped potential in terms of raising additional income to plough back in to NHS services.*

*“There are numerous ways of expanding these units and it doesn’t necessarily require significant capital investment if a trust is willing to partner with a private provider. Partnership structures can extend from commercial agreements to developing some form of physical expansion to estates, and all whilst creating new income streams for NHS patients at no cost to the taxpayer.*

*“Many of our decision-makers are all too keen to shout from the rooftops about the NHS being broken but this isn’t necessarily the case – it boasts world-leading assets and expertise that, if harnessed correctly, provide ample opportunities for healthcare to help drive economic growth as opposed to hampering it.”*

## Key contact


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