

Spring Budget 2024: Browne Jacobson reaction

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Lawyers from Browne Jacobson have provided their reaction to Chancellor Jeremy Hunt's Spring Budget, delivered on 6 March, across a wide range of topics.

Public spending cuts

Anja Beriro, Partner in the government and infrastructure team, said: "It is widely recognised that local government budgets are already incredibly stretched, with a wide variety of pressures resulting in several councils filing Section 114 notices in recent months and others at significant risk.

"We're reaching a crunch point where, unless the overarching position changes and funding is made available from somewhere, a lot of critical services will begin to topple.

"For local authorities, while the long-term plan will involve a thorough assessment of how to make productivity gains in line with the Government's vision, in the short term they must explore where further savings can be made with the least possible impact to their statutory duties.

"In this respect, they should maximise the use of existing internal resources such as monitoring officers, which are responsible for legal governance, to ensure any changes made can't be legally challenged.

"Some very difficult decisions must be made in the coming months, whether it's the future of revenue-driving assets that could be sold to bring in income, staff requirements, or social and childcare services.

"Throughout this process, it's crucial that local authorities don't rush into any decisions that will have a profound impact on their communities for years to come without considering all the potential consequences that may not be immediately apparent."

Net zero and energy security

Ben Standing, Partner specialising in planning and environmental law, said: "The Budget was notable for the lack of focus in how Britain transitions towards a net zero economy compared to recent years and this perhaps sets the tone for a General Election in which green issues move further down the agenda.

"However, there was no rowing back on previous net zero pledges and the Government remains committed to phasing out natural gas from our energy mix.

"There has been a lot of discussion about whether it will be renewables, such as solar and wind, or nuclear which dominates the future grid and the Chancellor made it very clear the focus will be on nuclear, with a particular prioritisation of small modular reactors (SMRs).

"Yet there still needs to be a discussion about where SMRs will be located and, for the communities based nearby, whether they will be acceptable alternatives to renewable infrastructure, which has sometimes received local challenges.

"Moreover, it's our experience that those against nuclear energy are very active and organised in their opposition to its deployment and any planning applications could get bogged down in legal challenges for many years.

"It's therefore vital the Government swiftly follows its SMR competition with a detailed plan for how it will successfully introduce this new technology to our grid."

Zoe Stollard, Partner in the construction team, said: “Following the Chancellor’s announcement of up to £120m additional funds for the Green Industries Growth Accelerator, Government is (in principle) set to enhance building supply chains for new technology such as offshore wind and carbon capture.

“This, alongside a drive for nuclear power to make up a quarter of electricity by 2050, is a very welcome development. This support and investment in green and nuclear sources is key to creating a sustainable future, and demonstrates clear drive from the Government to reach our energy security and climate change goals.

“Certainly, for offshore wind, this initiative should help achieve a successful Contract for Difference (CfD) round this year. However, although money is good, it isn’t all it takes to build an offshore wind farm. The energy sector faces huge challenges including planning issues, rising inflation costs, long lead times and supply chain issues.

“Equally, as the Great British Nuclear begins the next phase of its small modular reactor selection process, these unrelenting infrastructure and skills shortfall issues will come to the fore. These issues need to be centrally addressed to ensure the 2024 budget initiatives can become a reality on the ground.

“In the energy and infrastructure arena, we are seeing more and more tier one contractors forming partnerships, alliances, joint ventures and mergers in an attempt to combine forces to deal with capacity issues, and combine their expertise on innovative major complex energy projects such as offshore wind and nuclear.

“This should help to secure the UK’s successful future in renewable energy, and achieving net zero and resilience targets, but some significant central input is also required to deal with these issues and make these major projects commercially viable from all angles.”

NHS productivity plans

Heather McKay, Senior Associate specialising in data protection, said: “A long-term vision to improve NHS productivity, backed by serious investment in digital technology, will be hugely welcomed across the NHS as the ability to automate administrative tasks and drive efficiencies should free up time for valuable frontline workers to care for patients.

“Properly applied, it should also provide quicker access to clinical advice through the most appropriate medium, whether that is digitally or face to face.

“Patients will be presented with easier access to NHS services and care management via a digital interface through the NHS app, while for the public purse, digital transformation carries the dream of clawing back some of the huge cost outlay that is commanded by delivering critical health services.

“It’s important that we don’t rush into any decisions on how technology is adopted during this journey, however, given there are a myriad of challenges to overcome in an outdated and fragmented healthcare system.

“There are issues around interoperability of healthcare data across NHS trusts and primary care services, for example. Data privacy must be a major consideration to gain public trust, which is vital in any digital transformation initiative and requires a culture of data compliance.

“That being said, we have to start somewhere, and this is a great first step in revolutionising the NHS.”

Alcohol duty freeze

Sam Sharp, Senior Associate in the corporate team, said: “The alcohol industry will be breathing a sigh of relief as the Chancellor confirmed that the freeze in alcohol duty will be extended from the end of August until February next year.

“The freeze is welcome news for manufacturers, hospitality businesses and consumers alike as it means prices shouldn’t have to increase to offset the increase in duty.”

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