



## Leader of Basildon Council

Clr Andrew Baggott

Messrs. John Baron, Mark Francois & Stephen Metcalfe  
Basildon Borough Members of Parliament  
*via e-mail*

22<sup>nd</sup> December 2021

Dear John, Stephen & Mark,

### **Re: Provisional Local Government Finance Settlement**

I hope this letter finds you all well. I am writing to seek your support in response to the provisional Local Government Finance Settlement announced on December 16<sup>th</sup>.

As you know, every day, Basildon Borough Council is delivering vital services to every household in every street in the borough. Whether it is housing, homelessness, economic development, regeneration, parks and leisure, or recycling and waste – our services are crucial to the Levelling Up agenda.

Local authorities like Basildon will be crucial to delivering this important policy; close enough to communities to understand them and large enough to effect positive change. With 40% of businesses and a third of the economic output in England, district councils hold the tools and levers to drive growth.

Over the past eight years that I have served as a councillor, I have seen local authorities take an enormous financial hit. Nationally, there has been a 35% reduction in real-terms spending power. Additionally, our revenue-generating activities, which fund many of our vital services, were hit hard during the pandemic and will take time to recover.

I welcome the provisional settlement, which is an important step forward, and look forward to Basildon receiving its share of the £822m being made available for the 2022/3 Services Grant. HMG has heeded the call from councillors to preserve New Homes Bonus funding and the Lower Tier Services Grant at their current levels. While this is welcome, and will make a real difference to hard-pressed councils, it will not be enough to cover the substantial costs and income pressures we face in the coming years.

The District Council Network estimate that district councils' share of the grant will be around £37 million but the impact of wage inflation and inflation generally is likely to be in the region of at least £80 million and we anticipate further pressures across waste collection, leisure services, supported housing and homelessness, which could all amount to well over £100 million. The reality is, Basildon Council, in common with most local authorities, will face a significant funding gap, exacerbated by

constraints on our ability to raise income. The provisional settlement preserves current council tax-raising flexibility but gives no extra flexibility and our business rates base and fees and charges income remain depressed by the pandemic – and the emergence of the Omicron variant is likely to reverse the gradual recovery we saw this year.

The stark reality is that, without further support and flexibilities, Basildon Council will be faced with unpalatable choices. Nobody wants to see cuts to vital services many of our constituents rely on. Moreover, we will be denied opportunities to invest in important priorities for the future of the borough: jobs, regeneration, and levelling up. There is simply no funding for this – in the settlement or elsewhere – or for the very significant costs of delivering Net Zero.

When the settlement is debated in Parliament, could I please ask your support to help secure **additional grant funding for district councils**? Basildon needs long-term funding certainty and financial flexibility. Our funding base remains vulnerable, as we typically receive a far lower proportion of our funding from central government grant than other tiers of local government. Our funding is highly geared towards fees and charges, Council Tax, retained Business Rates and New Homes Bonus – all of which have been hit hard by the pandemic or are under review.

I would welcome your support in pressing these points:

- **Review of future funding:** it is vital Basildon Council does not lose out from changes to the distribution of funding after 2023/4. HMG must stick to its commitment to provide transitional protection.
- **Sales, fees, and charges:** Basildon should be supported to move towards full cost recovery for planning and licensing fees (these are currently heavily subsidised).
- **Commercial investment:** Basildon Council should be free to borrow and invest. Recent restrictions to PWLB lending criteria should be removed. Rather than continuing to constrain, HMG should support us to invest prudently.

I hope you will support and protect our services and help make the case to equip us with the tools we need to serve our community, tackle the challenges ahead, and invest in the future.

The resurgence of the pandemic makes this more important than ever. The Council was in the frontline of Covid: delivering self-isolation support payments, getting thousands of rough sleepers off the street, and providing business support grants. We will continue to do whatever is needed to support our households and businesses through the remainder of pandemic. To do this successfully, however, we need to be properly funded.

I wish you and you families a very Merry Christmas and all the best for a happy, healthy and prosperous New Year.

Yours sincerely,



**Councillor Andrew Baggott**  
Leader of Basildon Council