

SOUTH EAST NEWS

The newsletter of South East England Councils

November 2010



Cuts raise councils' concerns

Government's Comprehensive Spending Review (CSR) sets out challenging cuts for South East councils. Average cuts of 7% a year will mean 28% budget reductions over the next four years, calling for tough decisions on services.

This compares to average 19% cuts in Government departments over the same period.

The SEEC all-member meeting on 19 November will discuss the potential negative impact of housing benefit caps on some areas and whether transport funding decisions will support national economic needs.

Within local authorities, education budgets have been protected and, nationally, an extra £2bn will be made available for social care, split between councils and NHS. Local authorities will gain more flexibility on spending as ring fencing of revenue grants will end and borrowing against future income will be allowed.

A fund of £700m has been set aside to provide extra funding for councils setting a zero council tax increase for 2011-12.

Housing & transport

Some SEEC member councils have expressed concern about housing benefit caps announced in CSR. Many areas of London and the South East have high housing costs and there are fears that a cap would encourage benefit claimants to move to deprived areas where costs are lower. This could hinder economic growth and regeneration in towns such as Hastings or Margate and polarise South East residents according to income.

CSR and subsequent announcements have confirmed funding for several transport projects in the South East, while others face further review.

Some important projects included in the SEEC submission to CSR remain uncertain, while others failed to gain approval. This has raised questions about whether investments will support economic growth and improve nationally-used routes to the South East's ports and airports.

Approved rail projects include Crossrail; HS2; upgrades to Reading & Gatwick stations; and freight improvements between Southampton & Felixstowe. On the roads, improvements to M25 junctions 5-6/7 and the A23 at Handcross will receive funding, while "a best and final bid" is invited for the Bexhill-Hastings link road to attract part of a £600m funding pot.

Further consideration will be given to the A24 Ashington (West Sussex); Walton Bridge (Surrey); and road improvements at Reading Station. Looking ahead to 2015, development work is continuing on the A21 Tonbridge-Pembury (Kent) and A27 Chichester bypass (West Sussex). Plans and timing for M20 junction 10A; M3 junctions 2-4a; and M4 junctions 3-12 will be reviewed.

Major projects offering economic benefits failed to gain funding - eg M27 improvements, better road access to Dover and a new Thames crossing.

Economic growth

South East local authorities are involved in six of the 24 Local Enterprise Partnerships (LEPs) given the green light at the end of October.

They can now join bidding for a share of £1.4bn through the new Regional Growth Fund, aiming to demonstrate that the South East has as strong a need for investment as other areas of the country.

Many SEEC members fear that ministers' misconceptions about a universally wealthy South

continued overleaf

SEEC meeting dates

The next SEEC all-member meeting will be held on **19 November 2010** at Church House, London SW1. Discussion items will include:

- Spending Review impact
- Business rates consultation
- Nominations for member task & finish groups
- SEEC action plan – Exec committee views.

The next SEEC Executive is **7 December 2010**.

Economic growth

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East will mean areas in need RGF help will lose out. Examples of need include places in the South East where public sector employment is over 40% and the 500,000 South East residents living in areas that rank within the 20% most deprived in the country.

Member views will be gathered for a SEEC consultation response on white paper proposals to allow councils to retain locally-generated business rates.

The new LEPs cross current boundaries, with Kent and Essex forming a partnership with East Sussex, while councils in Aylesbury and Milton Keynes are joining forces with neighbours in the south midlands.

South East local authorities are involved in six of first batch of 24 LEPs announced by Business Secretary Vince Cable on 28 October 2010:

- Kent, Essex & East Sussex
- Coast to Capital
- Solent
- Oxfordshire City Region
- Thames Valley Berkshire
- South East Midlands.

SEEC's proposal for a cross-LEP network to facilitate joint working was welcomed by Government, but it would need to be funded voluntarily.

Joint working with business

On 4 November SEEC Chairman Cllr Paul Carter spoke at SEEDA's annual meeting. He outlined local government's commitment to work with business via LEPs to deliver economic growth.

He also called for joint working with business to ensure a fair funding deal to ensure the South east economy does not suffer due to lack of investment.

Call for fairer funding for the South East

Two consultation responses on local government finances this autumn have seen SEEC continue to make the case for a fairer funding settlement for the South East.

Following Executive Committee discussion

in September, views have been sent to the Department for Communities and Local Government in response to two consultations:

1. Revenue Support Grant top slice

SEEC endorses the overall principles of changes to top slice arrangements but has requested clarification on details, including:

- Allocation of resources to support different areas of the country and the need for clear, transparent guidelines on how to distribute funding.
- The nine organisations proposed do not appear to match the six proposed funding objectives.
- Whether top-slice arrangements would be restricted to local government involvement only. Could funding go direct to non-local government organisations in the future?

2. Formula grant distribution

SEEC wants to see proposed changes to the flawed four-block model for grant distribution delayed in favour of a fundamental review of the entire local government finance system already scheduled for 2011.

The SEEC consultation response argues that continued use of the four-block model raises serious questions about whether funding is being directed appropriately. It would be fairer to review the full system rather than make minor amendments to a discredited system that does not reflect councils' needs effectively.

SEEC has set out a number of vital principles that should underpin any new system:

- A simpler, fairer and more understandable system.
- Transparency and accountability on why funding decisions have been made.
- Changes to Area Cost Adjustment that recognise the need for greater funding in high-cost areas.
- The need to ensure any changes are based on the most accurate information and data sets available.

Full copies of SEEC's submissions on local government finance and other issues affecting South East councils are available online.

Visit our Speaking for the South East page at www.secouncils.gov.uk

Migration projects scope impact on councils

Several projects are underway to help SEEC members gain a better understand of the impact of migrant communities on the South East.

The work is being managed by the South East Strategic Partnership for Migration (SESPM). It is fully funded by grant from the UK Borders Agency and hosted by SEEC.

Partnership manager Roy Millard will be reporting to the SEEC Executive in December on progress in establishing a 'dashboard' showing data, trends and the impact of migration on public services.

Four review groups

The Partnership has now established four local area strategic migration groups to review the impact of migration.

The groups cover Kent & Medway; Sussex & Surrey; Thames Valley; and Hampshire & Isle of Wight.

Oxfordshire CC has also recently hosted the first meeting of a South East "no recourse to public funds" network that will offer support and guidance on this complex issue.

Health network & research

SESPM is also organising two meetings to kick start a South East Migrant Health Network. The meetings will look at health commissioning, accessing services and sharing information.

The new network will be supported by a web resource www.migranthealthse.org.uk, administered by SESPM. The website will disseminate reports and intelligence, highlight good practice, and provide a forum to share ideas and solutions to problems.

The main function of the health network will be to 'operationalise' the conclusions and recommendations from a recent report '*Understanding the health needs of migrants in the South East*'. It will aim to 'translate' research findings into projects designed to lead change and improve the lives of migrants. The report will be available on the new website.

SESPM is also currently developing an online resource to assist local authorities in reaching migrant communities to maximise participation in the 2011 census.

Policy opportunity at SEEC

SEEC is currently offering a six month secondment opportunity for a senior policy officer to help develop SEEC's work programme.

The successful candidate will have a broad range of policy experience in issues affecting all tiers of local government.

The job description and person specification have been emailed to all SEEC chief executives for circulation to council staff.

Closing date for applications is 25 November 2010 and interviews will be scheduled in late November or early December 2010.

Further details are available from Heather Bolton, SEEC Head of Communications & Public Affairs. Email heatherbolton@secouncils.gov.uk.

Have your say!

SEEC members are invited to make contributions on the following to help set SEEC's future agenda:

- Suggestions for suitable topics for future member-led task and finish groups.
- SEEC Executive - agenda items for the next meeting in December 2010 are invited by 19 November.

Email input to: heatherbolton@secouncils.gov.uk.

Family Week 2011

National Family Week 2011 will take place from Monday 30 May to Sunday 5 June.

It is an annual celebration of family life and aims to highlight the importance of quality time together and promote the benefits of a healthy, active lifestyle.

South East local authorities are being encouraged to take part and promote the good work councils do to engage and connect with families and family life locally across a range of different departments.

To find out more and how your local authority can get involved, please contact Bee Sachania on:

- 020 7871 0189
- bee@nationalfamilyweek.co.uk
- or visit www.nationalfamilyweek.co.uk.