

SOUTH EAST FIRST

The newsletter of South East England Councils

Winter 2011- 2012



Business rates: new talks due on councils' share

The Government's response to consultation on business rate proposals has taken account of some of the concerns raised by SEEC members.

Ministers announced on 19 December that councils will receive a percentage share of business rate income from 2013, rather than funds being dependent on centrally-forecast levels of business rate growth.

The respective percentage shares of business rates income to go to local authorities and central government will be decided in 2012. Government's share will fund other grants to local authorities.

In October, [SEEC's response to Government's original business rate proposals](#) raised concerns that the level of incentive for councils in the new system could be too small to make a difference.

December's announcement opens the door to increasing the amount retained by councils to fund local priorities. Government has also now agreed there should be no cap on the amount of business rate growth that can be retained by local authorities.

Also now due in 2012 are details of how Tax Increment Financing (TIF) schemes will operate. A limited number of schemes will be permitted – allowing councils to borrow against future business rate growth to provide funds for infrastructure investment.

SEEC Chairman Cllr Paul Carter said: "Residents and business have high expectations of the changes so we welcome the idea that councils should be able to keep more of the business rate growth that they generate. The discussions with ministers on the detail of this in 2012 will be critical."

Cllr Carter added: "The South East drives the UK economy. In 2009/10 our residents contributed £1bn more to the Treasury than the area received back in Government spending. Given our importance to UK economic success, it is critical that incentives work effectively here, and that South East local authorities see genuine benefits from prioritising growth."

Skills conference – 8 March 2012

SEEC is planning a free half day skills workshop for members on 8 March 2012.

The event aims to pull together an action plan on how councils can help improve skills in their local area to support jobs growth and tackle youth unemployment.

Speakers will outline views from Government, businesses, local government and the skills sector. Bespoke research will also help identify where better skills could better equip local workers fill jobs currently held by migrant workers. To receive an invitation please email hayleyaustin@secouncils.gov.uk at SEEC.

News round up

Closer working for SEEC & SESL

The leaders of South East England Councils (SEEC) and South East Strategic Leaders (SESL) have agreed to closer working on a number of issues.

Both organisations have agreed to co-ordinate meeting dates for 2012: on 7 February, 21 June and 8 November.

Joint work is also underway to create a single strong voice for member concerns across the South East. This includes joint evidence to a Commons inquiry on social care and responding to proposals on extra powers for city mayors in parts of England.

During 2012 officers will identify possible efficiencies and cost savings from closer working.

Localism and planning

The Localism Act received Royal Assent on 15 November. The final legislation includes changes reflecting SEEC concerns – such as removal of referendums on 'local issues' and limiting situations where EU fines could pass to local councils. In line with SEEC members' requests, time will also be allowed for transition to the new National Planning Policy Framework (NPPF).

SEEC's wider concerns on the NPPF were echoed by MPs on the CLG Select Committee in December. MPs say the draft NPPF gives too much emphasis to economic growth, and so risks ignoring social and environmental issues. They also say it is too vague to provide certainty in the planning process and call for Government to address these issues before the final NPPF is published in April 2012.

SEEC Christmas office closure

Due to staff holidays, SEEC's office will be closed from the afternoon of 23 December until 4 January.

SEEC meetings: future dates

- **7 February 2012** – All-member meeting (shared date with SESL)
- **8 March 2012** – Executive Committee, followed by SEEC skills workshop
- **21 June 2012** – AGM (shared date with SESL)
- **11 July 2012** – Executive Committee

City agenda misses benefits from strong South East economy

South East councillors are making the case for greater devolved powers to all local authorities, not just cities with mayors.

Working together, SEEC and SESL have [responded to Government plans to increase powers & responsibilities for up to 12 elected mayors](#) outside the South East.

Government consultation 'What can a mayor do for your city?' and 'Unlocking growth' proposals highlight these cities as potential drivers of the UK economy. But this approach risks overlooking the South East's role as the engine room of the UK economy – in 2009-10 South East residents contributed £1bn more to the Treasury than the area received in public spending.

As the only area of the UK to make a net contribution over this period, South East council leaders want the opportunity to demonstrate how they can deliver more through greater devolved powers.

They argue the South East should not be excluded from greater powers simply because the area has no single dominant city. Our network of smaller cities and towns has consistently delivered better economic performance than larger cities elsewhere in the country. We cannot afford to ignore the potential benefits for UK PLC of greater devolved powers for South East councils.

South East councillors also believe that strong locally-elected political leadership does not depend on council structures and direct mayoral elections. Councils in the South East have produced many strong local leaders under the current system and will continue to do so.

Data dashboard December 2011

The second edition of SEEC's Data Dashboard has been developed to support members in making the case for the South East.

The Dashboard covers six key topics: Economy & employment; Housing & infrastructure; Public finance & grants; Demography; Migration; and Environment.

Each section includes a summary sheet, backed up with more detailed information by local authority area where available. All data will be online in January.

At a high level, the South East appears to perform relatively well but there are significant challenges that must be addressed through investment and policy. In particular the South East's large population and significant scale of deprivation need to be recognised.

Over 560,000 South East residents live in the 20% most deprived parts of England, 450,000 have no qualifications, there are high levels of youth unemployment and elderly residents are expected to rise by 50% in 20 years, well above national average.

But South East local authorities receive the lowest average central government formula grant per head, at £374 in 2011-12, this is £185 below national average. The South East also receives the lowest levels of capital funding per resident at £257 per head, £155 below the national average.

SEEC will work to promote action on key issues, for example hosting a skills event on 8 March to support jobs growth and tackle youth unemployment.

MIGRATION UPDATE

The South East Strategic Partnership for Migration (SESPM) is hosted by SEEC, ensuring regular updates for members on migration issues. SESPM's work is fully funded by UK Borders Agency. Recent projects include:

Research on EU migrant workers

A new research study looks at numbers of EU migrant workers from A8 (eastern European) countries and the jobs they fill in the South East economy.

A key aim is to identify where better skills training could equip local workers to fill some of these jobs and help reduce youth unemployment.

[Findings from the new research](#) – carried out for SESPM by Worcester Research – were reported to the SEEC All-Members meeting on 8 November.

In 2010, a total of 22,953 A8 migrant workers were employed across the 7 South East LEP areas and Buckinghamshire.

The vast bulk of roles filled by A8 migrants are low or semi-skilled. This is in contrast to non-EU migrant workers; [research on the SEEC website shows non-EU workers often have highly skilled jobs](#).

In the South East LEPs and Buckinghamshire, the 10 most popular occupations (below) for EU migrant workers from the A8 countries accounted for 71% of all employees:

- Process operatives ('other factory')
- Warehouse operatives
- Packer
- Farm workers/hand
- Cleaner/domestic staff
- Kitchen and catering assistants
- Maid/room attendants
- Waiter/waitress
- Sales & retail assistant
- Crop harvester
- Care home assistants.

Gurkha report shows self-reliance & high levels of employment

This year SESPM has part-funded research into the impact of the growing Gurkha population in the South East.

Since the law changed to allow more Gurkhas to settle in the UK, some councils had expressed concern that this may lead to increased costs for local authorities with large Gurkha communities.

The research, carried out at the University of Kent, looked at Gurkha settlement and integration. It found that working age Gurkhas are the most economically active and self-reliant social group in Britain.

Employment rates among Gurkha males and females are extraordinarily high – at 95.1% for under 60s males and 92.6% for under 60s females.

Some 71% of Gurkhas are involved in voluntary work in their communities.

For more detail on the research visit the SEEC website for a [brief summary of the research](#) or to [read more detailed findings](#).

EU's top down energy plans must change, says SEEC

EU targets to make councils upgrade the energy efficiency of older buildings are out of step with localism and will incur large costs says SEEC.

SEEC will be briefing MPs and MEPs early in 2012 to ask for changes to the proposals, which will be discussed by the EU Council of Ministers in January. SEEC Deputy Chairman Cllr Gordon Keymer, Leader of the UK Delegation to the EU Committee of the Regions (CoR), and his colleagues have already used 15 amendments to persuade CoR to oppose almost all of the most onerous proposals in the legislation.

The proposals – part of EU plans to reduce energy consumption by 20% by 2020 – would require councils to upgrade 3% of their floorspace each year to meet current building regulation standards.

SEEC members agree it is important to improve energy efficiency but say the proposed mandatory annual target is inflexible, impractical, expensive and at odds with the UK government's localist approach.

Members want to see top down targets removed. They prefer an approach focused on energy-use reduction rather than simply renovation. This would recognise the value of improved heating/cooling equipment and the positive impact of behaviour change initiatives.

EU funds available for youth skills in the South East

European funding for skills development in the South East is going unclaimed. A workshop for South East organisations in December highlighted funding opportunities available for 2011-12 and 2012-13.

Nationally, up to €24m a year is available until 2013 for vocational training via the **Leonardo** programme. With money allocated according to population, the South East has potential to attract high levels of funding.

Local authorities could have a key role in Leonardo 'Mobility' projects. For example, councils could bid for cash to fund overseas work experience for apprentices or young unemployed people. The council role is critical in co-ordinating groups of young people as money must go to a sponsoring organisation not to individuals.

The national allocation for Leonardo Mobility projects is some €13m a year. No match funding is required and the next closing date for Leonardo Mobility bids is 3 February 2012.

Additional Leonardo funds are available for vocational education co-operation projects – classed as small (up to €25,000) or large (up to €150,000). Closing dates for bids this financial year are 21 February and 2 February respectively.

Smaller amounts of funding are also available for adult education projects (Grundtvig programme) or study visits for education professionals (Transversal programme).

All three funds are part of the EU's Lifelong Learning Programme to improve skills and boost economic development. Full details and closing dates are online at www.lifelonglearningprogramme.org.uk.

LEP Network

SEEC representatives attended the first national Local Enterprise Partnership (LEP) Network workshop in mid December, run by the British Chambers of Commerce. This focused on making effective use of limited project and infrastructure funding opportunities. A forthcoming second round of the LEP capacity fund was also confirmed.

The Government's new Growing Places Fund (GPF) provides opportunities for local authorities and businesses, through LEPs, to help unlock developments. Councillors have welcomed the fact that GPF funds have been allocated to reflect costs associated with the South East's high population.

LEPs are being encouraged to consider GPF to establish 'revolving funds' to help pay for critical infrastructure up-front, then recoup the investment once development takes place, allowing reinvestment of the funds in future schemes.

In helping to make the case for greater investment in the South East, SEEC would be pleased to hear from LEPs on their priorities and work plans, to create a shared understanding of issues and opportunities. The SEEC contact is Nick Woolfenden – nickwoolfenden@secouncils.gov.uk or 07713 089 469.

SEEC infrastructure debate

Infrastructure concerns were top of the agenda at the SEEC All-member meeting in November. Speakers from DfT, BT and the Infrastructure Planning Commission outlined the role for local authorities in influencing developments in their area. Copies of all [speaker presentations](#) are on the SEEC website.

SEEC members also discussed a potential role for a collective political voice to help direct DfT investment in the South East.

Following the meeting, SEEC has commissioned a report for members drawing together views on the major projects currently needed across the South East. The report will help members take a view on whether they want to work collectively to prioritise some of these schemes and if there are any critical infrastructure gaps that need filling.

Autumn statement

The Chancellor's autumn statement on 29 November promised £5bn infrastructure investment over three years to boost the economy and employment. [SEEC's member briefing](#) sets out a summary of key points from the announcement, alongside information on the Government's new housing strategy and a review of the Highways Agency role.

Climate week

**Britain's Biggest Climate Change Campaign:
12 - 18 March 2012**

Thousands of events and activities are being planned by organisations from every part of society for Climate Week. Showcasing real, practical ways to combat climate change, the week aims to renew the ambition to create a more sustainable, low-carbon future. To find out more go to www.climateweek.com, email info@climateweek.com or telephone 020 3397 2601.