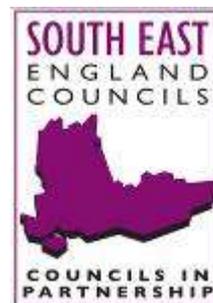


**SOUTH EAST ENGLAND COUNCILS
ANNUAL GENERAL MEETING & ALL-MEMBER MEETING**



Date: 21 June 2012

Subject: **South East England Councils: Review of the Year 2011-12**

Report of: Cllr Paul Carter, SEEC Chairman

Recommendation:

Members are asked to note SEEC's activities and achievements over the past year.

1. Background

- 1.1 Since its formation in 2009, SEEC has established a key role in representing the interests of all tiers of democratically-elected councillors in the South East.
- 1.2 Operating with a very small staff team, limited budget and minimal bureaucracy, SEEC brings together local authority leaders to make sure South East views are heard by national and European policy makers.

2. SEEC principles & priorities

- 2.1 In 2010 members agreed the following principles and objectives, which remained in place in 2011-12 to guide SEEC's work:

Principles:

- Strive for a fair funding deal for the South East
- Promote the South East's position as a leading global economy
- Act as single democratic voice for South East interests
- Monitor the pulse of the South East.

Objectives:

- Provide a framework for member-led co-ordinated action on issues of common concern such as the economy, investment and funding
- Maintain an overview of key data and trends across the 74 South East councils to inform strategic needs
- Be the democratic voice for all tiers of South East local government
- Maintain a flow of member and external communications on SEEC's work.

3. SEEC achievements 2011-12

SEEC's principles and objectives underpin all activities and form the basis of the business plan for 2011-12. Major achievements during the year are highlighted below.

3.1 Strive for a fair funding deal for the South East

3.1.1 Fairer funding – Fixing a broken system

June 2012 saw the launch of SEEC's proposals for redressing the current unfair balance in local government and health funding. The launch was the culmination of extensive research – commissioned from Local Government Futures, councils' finance staff – and member discussions.

The work provides evidence of the clear, negative impact that significant underfunding has on South East council tax payers and the services they receive.

It also outlines how greater investment in the South East could help boost the national economy for the benefit of all areas of the UK.

SEEC is calling on Ministers to commit to redressing years of unfair funding. A key part of this would be allowing historically underfunded South East authorities to retain a greater share of business rates to help ease the unfair burden on South East council tax payers and to help fund capital investment in projects to support economic growth. An 'independent commission' of experts is needed to oversee changes to the system to ensure fairness. A copy of the SEEC report is included with this set of AGM papers. They will also be sent to Ministers and media. An extensive evidence base is available on the SEEC website.

3.1.2 Business rates

Fair funding research also provided key evidence for SEEC's input to Government consultation on business rate localisation in autumn 2011. Figures showed that Government's original plans would deliver only a minimal incentive for South East authorities – equivalent to just £8.6m a year to be shared by all 74 South East councils.

The work informed a strong SEEC response to Ministers, arguing that councils need to retain a greater share of business rates to create a genuine incentive for local growth. SEEC's input helped influence changes in Government policy offering local government a more generous share. However SEEC's finance report 'Fixing a broken system' now puts forward an alternative to the Government's suggested flat rate 50% business rate retention for councils (see para 3.1.1).

3.1.3 European funding

SEEC is making the case for the South East to continue to receive structural funds when the new EU funding period begins in 2014. To date members have highlighted the need for continued funding to BIS ministers and provided input to the Commons select committee on EU funding.

A response from BIS Minister David Willetts welcomed SEEC's views on reducing bureaucracy around EU funding. In April 2012 SEEC responded to BIS consultation on priorities for the new EU funding programmes, again stressing the need for continued access for the South East. As a final decision is still in the future, SEEC's work to influence EU funding post 2014 will continue in the coming year.

SEEC secured nomination rights to the Local Management Committee for the European Regional Development Fund (ERDF), giving councillors a role in influencing and monitoring EU funded projects in the South East.

3.1.4 Influencing allocations and new fund alerts

SEEC's message to government about the need for fairer funding allocations that recognise the scale of the South East population helped achieve positive results. Raising awareness of deprivation and economic need in the South East helped make the case for population-based allocation of the Growing Places Fund. After SEEC raised concerns about the fairness of Regional Growth Fund (RGF) round 1, the South East saw an increase in RGF allocations in round 2.

SEEC newsletters and meetings provided regular updates for members on availability of both UK and EU funding – for example on the different rounds of

Regional Growth Fund, a new Coastal Communities Fund and EU funding for youth skills and problem families.

3.2 Promote the South East's position as a leading global economy

3.2.1 Infrastructure delivery

Members raised the South East's key infrastructure concerns on transport, broadband and major projects at a meeting with national bodies in November 2011. SEEC invited speakers from DfT, BT and the Infrastructure Planning Commission to outline their plans, explain how local authorities could get involved and answer member questions.

SEEC also provided speakers and secured member invitations for an Infrastructure Summit hosted by Surrey CC in October 2011. The summit highlighted innovative approaches to infrastructure funding and showcased good practice in developing Community Infrastructure Levy (CIL) and neighbourhood planning.

3.2.2 Skills workshop

Employment Minister Chris Grayling joined councillors, LEPs, the education sector and apprentices in March for a skills & employment workshop. The event was organised jointly by SEEC, SESL and the South East Strategic Partnership for Migration.

It highlighted the need for councils, employers and colleges to work together to make sure local people are trained to fill known gaps in the economy, as this will reduce unemployment and boost business. A key session also focused on new research showing South East jobs filled by migrant workers, prompting debate on whether local people could be trained to fill these roles.

3.2.3 Transport

Input to DfT supported Government proposals for greater devolution of transport responsibility to local areas. In a joint submission prepared by SEEC and endorsed by SESL, members argued that councillors must have a central role in proposed Local Transport Bodies to ensure new arrangements are democratically accountable.

The submission made the case for transport funding to be allocated on criteria such as expected population growth and an area's economic potential. However members also raised concerns about additional cost burdens councils may face in delivering the new devolved approach. Members argued that any additional financial burdens for local authorities would need to be funded by Government.

3.2.4 SEEDA economic archive

Following closure of SEEDA in March 2012, SEEC has received an archive of SEEDA's economic reports, publications and commissioned research. Links to this are available on the SEEC website and a searchable database will be added to a new SEEC website in summer 2012 to ensure the information remains freely available.

3.3 Act as a single democratic voice for South East interests

3.3.1 Localism Bill & planning

Following a survey and councillor workshop to gather member views on key issues, SEEC agreed a short briefing for peers taking part in the Lords debate on the Localism Bill. SEEC's views were supported by several peers, quoted in Hansard, and helped ensure changes to the legislation. For example, provisions allowing a small number of residents to call a referendum on any local issue were removed from the final Act.

SEEC also worked successfully to influence development of the National Planning Policy Framework. Member views were raised with ministers and through the LGA, helping to secure changes, including a transition period allowing councils to update local plans.

3.3.2 EU energy directive

Influencing work is underway with MPs and MEPs to amend EU proposals that would force councils into costly refurbishment of public buildings. SEEC has put forward constructive, alternative proposals, which focus on energy use reduction rather than top-down targets. Positive responses have been received from MPs, including Energy Minister Gregory Barker. SEEC Deputy Chairman Cllr Gordon Keymer CBE has also successfully proposed amendments to the EU via his role as Leader of UK Delegation to the Committee of the Regions.

3.3.3 Finance Bill

Member discussion on the local Government Finance Bill in March 2012 highlighted concerns that SEEC will raise during the Lords stages of the Bill. A SEEC briefing for peers illustrates the negative impact of a 10% cut in council tax benefits and the challenges of changing from housing benefit to universal benefit. The briefing also proposes redressing historic underfunding of South East councils by increasing the share of retained business rates.

3.3.4 Devolution of powers

SEEC and SESL joined forces in December 2011 to press Government to allow greater devolution of powers to the South East and not simply restrict changes to a few core cities elsewhere.

3.3.5 Health & social care

An All-member debate in February 2012 gave members the opportunity to question Public Health England (PHE) and understand the respective roles of councils and PHE in the new health agenda. A good practice case study also highlighted how bringing together different agencies can have a significant positive impact on services for local communities.

The challenge of providing social care for the South East's growing elderly population was a key message raised with the House of Commons Health Committee Inquiry on Social Care. SEEC worked with SESL and South East Councils Adult Social Care members to submit joint evidence to the committee calling for sufficient resources and funding to help South East authorities respond to the growing need for care.

3.3.6 Unemployment

Members called on Employment Minister Chris Grayling to press for more information to be made available on migrant workers in the South East. This will help identify where training could help local people compete for some of the jobs filled by migrant workers. A joint letter from SEEC, SESL and the South East Strategic Partnership for Migration also called for greater regulation of 'gangmaster' employers to ensure fair competition for jobs.

3.4 Monitor the pulse of the South East

3.4.1 Data dashboard

SEEC launched its first data dashboard in August 2011, developing the format in close liaison with a member task and finish group. The dashboard presents key trends in the South East covering six strategic issues: economy & employment; housing & infrastructure; public finance and grants; demographics: migration; and environment. The dashboard has since been updated in January and June 2012.

Headline findings and policy implications are circulated to members, MPs and MEPs, while SEEC members have access to the detailed local data behind the headlines. The data dashboard has provided a good base of evidence to inform SEEC views on the impact of new policy proposals and how they will affect the South East. In response to CLG consultation on reducing published data, SEEC has called for continued publication of all current data sets as some of this information underpins the dashboard.

3.5 Impact of migration on the South East

3.5.1 Hosting migration work

SEEC hosts the South East Strategic Partnership for Migration (SESPM), ensuring regular updates on migration data, trends and key issues for members. This work is fully funded by a grant from the UK Border Agency. In the past year SESPM work with SEEC members this year included:

- Research provided information for SEEC members and LEPs on the jobs filled by European migrant workers in the South East economy. This helped identify areas where better training for indigenous workers could help them compete for jobs and reduce local unemployment. The work fed into our skills workshop (see section 3.2.2) and built on similar research into non-EU migrant workers last year.
- In spring 2012 councillors and officers in SEEC member authorities received invitations to attend 5 free training sessions on human trafficking. Sessions raised awareness of the signs of trafficking and how to respond.
- Council views were gathered to inform responses to Government on migration-related issues – including financial thresholds for sponsors of new migrants and the impact of legal aid changes on immigration cases.

3.6 A member led organisation

3.6.1 Meetings programme

SEEC organised a regular programme of meetings and events to ensure all our work is strongly member-led. This included three All-member meetings, four

Executive Committee meetings and a workshop on skills and employment. SEEC also began to provide light touch support for District Leader meetings.

In autumn 2011 SEEC and SESL agreed to co-ordinate meeting dates. This means that SEEC, SESL and the District Leaders all hold meetings on the same date in the same venue, allowing us to share costs and reduce the pressure on Leaders' diaries.

3.6.2 Making the South East's voice heard

Closer working between SEEC and SESL has been established, helping to establish a single, united voice for South East views on some key policy submissions to Government (see section 3.3)

Chairman Cllr Paul Carter represented SEEC on the LGA Executive, ensuring the South East voice is heard at national level. This included a presentation to the LGA Executive in June 2012 on key South East issues. LGA Chairman Sir Merrick Cockell also attended SEEC's All-member meeting in February 2012 to gather views on LGA priorities.

Nominations via SEEC ensured that South East councils have a voice on external bodies, including Europe's Committee of the Regions, ERDF Local Management Committee, South East Strategic Partnership for Migration and the South Central Ambulance Service Foundation Trust.

Regular updates and briefings for members were provided via four member newsletters, the SEEC website and through briefings on topical issues such as the impact of Budget measures and publication of the National Planning Policy Framework. All meeting papers and SEEC's input to Government are available online, ensuring our work is transparent and accountable.

3.7 SEEC secretariat & resources

3.7.1 Staffing

During the year SEEC formalised fixed term contracts for a secretariat of 3 full time staff, rather than relying on temporary staff and secondments. SEEC continues to be hosted by Surrey County Council, which provides office accommodation and payroll services. External IT support is in place, which this year included an upgrade to ensure a more reliable service.

3.7.2 Finances

Net income from member subscriptions raised some £215,000, fully covering the cost of staffing and member meetings. SEEC delivered a 10% budget underspend in 2011-12, spending a net £320,000. As agreed with members, SEEC drew on reserves to bridge the gap between income and expenditure. (See agenda item 13 for detailed accounts).

Financial management transferred from Buckinghamshire CC to SEEC. Since then SEEC has established a clear VAT status for the organisation and appointed accountancy support. Liaison with liquidators of the former SEERA Ltd continued about payment of dividends to SEEC. SEEC received an initial payment of £725,089 in January 2011. A further final sum of £23,354 is due in summer 2012.

SEEC hosted the South East Strategic Partnership for Migration, sharing some costs and holding the UKBA grant that pays for SESPM operations.