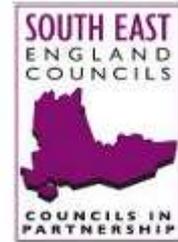


**SOUTH EAST ENGLAND COUNCILS
EXECUTIVE COMMITTEE**

Date: 12 November 2014

Subject: **SEEC Data Dashboard: Overview and Housing Delivery**

Report by: Nick Woolfenden, SEEC Head of Policy Co-ordination



Recommendations:

That members:

- i) Agree proposed key messages to highlight to Government and other decision makers in the Winter 2014 Dashboard update.
- ii) Discuss South East housing delivery trends & issues to emphasise in MPs' covering letter.
- iii) Comment on proposed revised data that update South East capital and revenue spend.

1. Background

1.1 This is the 7th edition of SEEC's Data Dashboard. Published twice a year, it is used to highlight key issues to Government and other decision makers, as well as helping SEEC members identify key issues where action is needed. Evidence in the Dashboard helps underpin members' policy discussions. Recently, these include influencing Party election manifestos, responding to consultations (eg London's housing & infrastructure plans, Care Act implementation) and making submissions (eg the non-met Commission).

2. Draft Dashboard Winter 2014 - Key Issues for member comment

- 2.1 Overviews for the six Dashboard topics are attached for comment. The full updated Dashboard, some 40+ sheets, with local data where available, plus a simple single page summary of headline data, will be on SEEC's website for members during December.
- 2.2 At a high level the South East continues to perform relatively well on a number of issues. As demonstrated by Oxford Economics' latest data, the South East offers the greatest returns on investment to Government and the UK as a whole, making a net contribution of £80bn over the last 10 years. However a number of challenges exist. Maximising the South East's key role in driving the national economy will require strategic and local infrastructure/transport investment to ensure continued success, as well as tackle significant deprivation and meet the needs of our large growing and ageing population.
- 2.3 Based on the latest Dashboard data, we recommend the following issues are emphasised. Members' views are invited on these or any other issues:

A) Economy & Employment - *There is a strong message that the South East's economic success cannot be taken for granted and appropriate policy/investment is needed to support business/jobs growth. This reinforces SEEC's calls for devolution of skills funding to councils to meet business needs and greater local finance-raising powers/funds to invest in growth.*

B) Housing & Infrastructure - *Overall given population size & the need to ensure economic success, more action and investment are required to support delivery of locally-agreed housing, infrastructure and affordable homes. SEEC's calls to Government include new local discretionary 'use it, lose it or pay for it' planning powers, lifting the HRA borrowing cap & investment in both 'local' and 'strategic' infrastructure with national benefits.*

C) Public Finances & Grants - *The South East offers the highest return on public investment in England, profit which can then be reinvested across the country to support growth. SEEC calls on the Government to take a more balanced approach nationally to ensure appropriate levels of central government & European investment in high return SE projects. This will support our local commitment to economic growth for national benefit, and the needs of our large, growing and ageing, population.*

D) Demography - *Government's council funding allocations and policies need to address the challenges of SE population size & change, in particular care and health services for the older population, and to tackle long-term areas of deprivation. SEEC's calls to Government include ensuring adequate council funding to address Care Act/Dilnot cost impacts, provide preventative public health services, and drive forward integrated care & health.*

E) Migration - *Time lags & limitations to official data must be tackled by Government so local needs & central funding requirements can be better addressed. For example, there is no National Insurance de-registering process to remove economically inactive migrants or those who leave.*

F) Environment - *Overall whilst some of the trends are positive, there is a need for continued effort and investment to address the significant levels of waste arising in the South East.*

3. Topic for discussion - Housing

3.1 We propose highlighting the important issue of South East housing delivery in the covering letter to MPs. The Dashboard shows the South East continues to build the most homes in England, 19,200 (private + affordable) in 2013-14. However this is a significant fall from the peak of over 30,000 homes in 2007-08. Demand for housing is not expected to diminish given the scale of projected population growth, and affordability is a key challenge in the South East, with average house prices around 11 times average earnings. The drop of over 2,000 affordable home completions p.a. since 2009-10 is of particular concern.

3.2 SEEC has previously highlighted that Councils in the South East are playing their part on housing, with current provision for over 32k homes pa in local plans. However councils need more powers, freedoms and financial resources to help further unlock development and free councils and partners to drive forward locally-agreed housing plans. Member views are invited on key points to emphasise in the covering letter to MPs – for example drawn from recent SEEC recommendations (below) or additional points:

- Provide City Deal-type powers and innovative finance freedoms to all councils and allow a greater local share of taxes and financial freedoms to supplement Government funds for housing and infrastructure.
- Provide discretionary 'use it, lose it or pay for it' local powers to ensure agreed planning permissions are developed.
- Ensure the housing industry takes agreed development forward more quickly, plus move skills funding under council control to better meet local construction sector needs.
- Ensure section 106 developer contributions for affordable housing remain under local control to help meet housing needs.
- Simplify council Compulsory Purchase Order powers to help unlock stalled sites.
- Remove the HRA borrowing cap to maximise local council house building potential.

3.3 Housing remains an important issue for the forthcoming general election. Sir Michael Lyons recently [published](#) his national housing review, commissioned by Labour. This supports several SEEC views set out above, including speeding up delivery and the need for infrastructure. However other proposals have potential to weaken local democratic leadership in housing and planning, for example strengthening Ministers' powers to intervene.

4. Changes to capital and revenue spending datasets - for member approval

4.1 In order to update Dashboard capital and revenue spending datasets, it has proved necessary to revise two sources of data. We welcome member views on these changes:

- Capital spend (Overview B. Housing & Infrastructure) – the chart previously drew on SEEC-commissioned research which is now several years old and would be costly to update. We therefore recommend using Treasury data with in house analysis, as shown on the sheet.
- Local authority revenue 'spending power' (Overview C. Public Finance & Grants) – changes to the local government finance system require a change in analysis. We propose drawing on the Treasury's local authority 'spending power' data, dividing it to show what comes from central government and what is raised locally through council tax. This reiterates SEEC's strong concern that the South East receives less central funding per head than the rest of England.