

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



Date: 30 June 2016

Subject: **SEEC future priorities, meeting format & subscriptions**

Report of: Heather Bolton, SEEC Director for SEEC Subscriptions Task & Finish Group

Through round table debates, discuss and recommend:

- i) Preferred option for SEEC subscriptions for next year, comparing current subscriptions and 3 proposals for moving to population-based charges.
- ii) Business plan priorities for SEEC in 2016-17.
- iii) Preferred format for future meetings to take forward priorities and member interests.
- iv) Ways in which members can support and participate in a member recruitment drive.

1. Introduction

- 1.1 At SEEC's All-Member meeting in January 2016 it was proposed that SEEC should review subscriptions, and the freeze in place since 2010. In March, SEEC Executive agreed that subscriptions for 2016-17 would remain frozen and unchanged but established a member task and finish group to consider future options for SEEC funding, operations and priorities.
- 1.2 The task group met in April 2016. Group members are Cllr David Monk, Leader of Shepway DC and SEEC Treasurer; Cllr Roy Perry, Leader of Hampshire CC and SEEC Deputy Chairman; and Cllr Paul Bettison, Leader of Bracknell Forest Council.

2. Subscriptions

- 2.1 SEEC currently subsidises subscriptions by using reserves to cover some operational costs. Costs in 2015-16 were £278,000 and reserves drawn down were £48,000. At 31 March 2016 reserves were £640,000. The task group made 4 recommendations on subscriptions:
 - a) A more sustainable future for SEEC would depend on increasing subscriptions income. The primary focus should be on raising income by increasing existing membership.
 - b) The fairest solution to future subscriptions would be to set membership fees according to population, with unitaries paying a higher per capita rate to balance their all-function responsibilities with relatively small populations (as happens in other organisations).
 - c) Subscription options could use straight per capita charges or population bandings.
 - d) A new per capita basis for subscriptions should also apply to voting arrangements.

For discussion: There are many ways of calculating subscriptions based on population. Three options are set out below, alongside current charges, to show different ways of raising around £265,000 from a full membership. Paragraphs 2.2 - 2.5 outline options and paragraph 2.6 shows high level implications.

- 2.2 **Current subscriptions:** Based on multiples of a base rate of £1,705. Districts pay 1x base rate; counties pay 1x base rate for each district in their area; unitaries pay 1x base rate for each 50,000 population or part of 50,000. The impacts of this are:
 - Overall county and district contributions match and unitaries pay a similar amount, giving all tiers a strong stake in the organisation for both funding and voting.
 - Current year subscriptions will raise circa £169,000. (NB SEEC also has some income from shared services, for example from SESL and South East Migration Partnership).
 - Full membership would raise circa £264,000 (roughly 35% from counties, 35% from districts and 30% from unitaries).
- 2.3 **Charges per capita:** Set district and county subscriptions at approx 1.5 pence per head of population and unitary subscriptions at approx 3 pence per head. Impacts would be:
 - Overall county, district and unitary stakes in funding and voting would not change.
 - Current membership would raise £166,000.
 - Full membership would raise circa £258,000 (roughly 35% from counties, 35% from districts and 30% from unitaries).
 - At full membership there would be increased fees for 29 councils (3 counties, 7 unitaries and 19 districts) and reductions for 44 (3 counties, 5 unitaries and 36 districts).

- 2.4 **Charges by population bands, stepped up by tier:** This option is based on flat rates of £1,500 for districts up to 100,000 population; £2,500 for districts above 100,000; £5,000 for unitaries up to 300,000; and county rates from £10,500 to £14,500. Impacts would be:
- Overall, county and district contributions would no longer match for funding and voting. The unitary council stake in the organisation would reduce.
 - Current membership would raise £179,500.
 - Full membership would raise £269,000 (roughly 46% from districts, 32% from counties and 22% from unitaries).
 - At full membership there would be fee increases for 44 councils (41 districts and 3 counties) and reductions for 29 councils (14 districts, 12 unitaries and 3 counties).
- 2.5 **Charges per 50,000 population or part of 50,000:** Set all subscription rates at a flat rate £660 for each full or part 50,000 population. For example a council with 49,000 population would pay 1x £660, a council with 75,000 population would pay 2x £660 and a council with 505,000 population would pay 11x £660. Impacts would be:
- Overall, county and district contributions would no longer match for funding and voting. The unitary council stake in the organisation would reduce.
 - Current membership would raise £163,000.
 - Full membership would raise £230,000 (roughly 46% from districts, 39% from counties and 15% from unitaries).
 - At full membership there would be fee increases for 43 councils (2 counties and 41 districts) and reductions for 30 councils (4 counties, 12 unitaries and 14 districts).

2.6 High level comparison of subscription options

Basis of subs	Balance of funding & voting by tier	Income 2016-17	Income from full membership	Councils facing subs increases	Councils facing subs cuts
Current subs	County 35% District 35% Unitary 30%	£169,000	£264,000	0	0
<i>Note:</i>	<i>No change</i>				
Per capita	County 35% District 35% Unitary 30%	£166,000	£258,000	29	44
<i>Note:</i>	<i>Keeps balance between tiers but difficult to find standardised per capita rates that maintain income potential without creating significant winners and losers compared to current subscription charges. The 1.5p rate for counties/ districts and 3p rate for unitaries would reduce income at current and full membership.</i>				
Population bands & tier	District 46% County 32% Unitary 22%	£179,000	£269,000	44	29
<i>Note:</i>	<i>Changes the balance of funding and voting between tiers and creates significant winners and losers compared to current subscription charges.</i>				
Per 50,000/ part 50,000	District 46% County 39% Unitary 15%	£163,000	£230,000	43	30
<i>Note:</i>	<i>Changes the balance of funding and voting between tiers and creates significant winners and losers compared to current subs. Unitaries would see reduced subs through a decision to more than halve their current charge per 50,000 population.</i>				

3. SEEC business plan and meeting format

- 3.1 SEEC's business plan runs from October to October, which allows members the opportunity to discuss priority topics and contribute ideas at each year's AGM.
- 3.2 For the coming year the task group recommended that work should focus on campaigns and that SEEC meetings should include more interactive sessions, for example round tables or smaller discussion groups as well as speaker presentations. The group felt these would encourage non members to re-join SEEC.

- 3.3 Member views are invited on the preferred format and frequency of future meetings and feedback is welcome on today's round table sessions.
- 3.4 Potential business plan campaign topics suggested by the task group include:
- a) **South East economic value** – emphasise the South East's return on investment and economic growth potential compared to other areas of the UK.
 - b) **Business rates** – include work on how retention would operate best for the South East. For example, commissioning work on business rate options and exploring the arguments for localising central business rate lists.
 - c) **Devolution** – explore options and alternatives that may allow devolution to proceed in the South East. Is there a role for members to shape a proposal to Ministers that considers the future role and structure of local government as a way to open up devolution?
 - d) **Housing, transport & infrastructure** – should members consider a collective South East housing offer to Government in return for commitment on infrastructure investment in areas willing and able to grow? Ongoing work with London will continue, particularly on housing barriers to delivery, transport and wider infrastructure.
 - e) **Fees and charges** – argue for greater local control of fees in functions such as planning and the ability to introduce charges for services such as recycling to contribute to costs.
- 3.5 After a successful workshop on health and care integration members may also want to consider next steps in this area. SEEC will continue to produce its bi-annual data dashboard and continue joint work on refugees and asylum through its hosting of the South East Migration Partnership.
- 3.6 Member views are invited on these proposals, alongside any additional or alternative suggestions to inform a first draft business plan for the SEEC Executive in September. Please send views and suggestions to Heather Bolton heatherbolton@secouncils.gov.uk by 1 September.
- 4. Membership**
- 4.1 The task group recommended that today's newly elected Executive should draw up a shared programme to recruit non members to increase SEEC membership, with a focus on visits to neighbouring authorities of the same tier where possible. To prepare the way for these discussions the SEEC Chairman and Deputy Chairman have written to leaders of non member councils highlighting achievements over the past year.
- 4.2 Member views are invited on additional or alternative routes to encouraging current non members to re-join.