

SOUTH EAST ENGLAND COUNCILS EXECUTIVE MEETING



Date: 30 September 2016

Subject: **Brexit and the new Government: tailoring SEEC's priorities to the new agenda**

Report of: Heather Bolton, SEEC Director

Recommendations:

Members are asked to:

- i) Discuss and agree SEEC business plan priorities 2016-17 to reflect Brexit and the new political landscape
- ii) Agree headline topics and a revised format for SEEC's All-member meetings in 2017
- iii) Agree practical parameters to ensure the SEEC team's work matches member aims

1. Background

1.1 The political landscape has changed significantly over the past three months, since the vote for Brexit in June and Theresa May's selection as Prime Minister in July. Cabinet appointments, changes to Whitehall departments and emerging proposals all signal changes in policy that the SEEC work programme will need to reflect.

1.2 Three months after the EU vote, impacts for local government remain unclear. Immediate concerns in a number of authorities include potential for businesses to relocate out of the South East and loss of EU funding. There are also concerns about possible skills gaps if future limits are introduced on EU workers. Nationally, the LGA is interested in the impact of Brexit on 'Place' and are asking for input to brexit@local.gov.uk. There will also be technical issues as EU regulations and rules need to be unwound – for example in significant areas such as procurement, waste and environmental protection. Members need to consider which elements to address via SEEC's work.

2. Priorities for member discussion

2.1 **Business plan:** Building on discussions at SEEC's AGM and input from the SEEC subscriptions task & finish group, member views are invited on suggestions including:

- Funding to support South East economic growth post Brexit
- Overcoming barriers to infrastructure and housing delivery
- Devolution next steps, including opportunities created by Brexit

Given increasing pressure around refugees and asylum seekers, members may also wish to consider the priority given to migration work.

2.2 A suggested draft business plan is included in section 3 below for member discussion.

2.3 **All-member meetings:** The task & finish group suggested a more interactive format. There is potential to turn SEEC's two All-member meetings into workshops on specific, topical issues. This would allow greater interactivity and give the opportunity to invite portfolio holders in addition to regular SEEC representatives, widening involvement in SEEC's work. This could make more effective use of resources, replacing some or all of the ad hoc conferences that SEEC has previously organised (e.g. on health & care and duty to co-operate). Options for 2017 All-member meetings could include:

- Tackling infrastructure & housing barriers
- Future funding – business rates and commercialisation
- Next steps on devolution
- Skills – targeting training to fill gaps in the economy
- Responding to refugees and asylum.

New format events could include half hour sessions or pre-meets to give updates on wider SEEC work and cover any elections for SEEC roles.

2.4 Member views are also sought on the best approach to a number of practical questions:

- **Ministers:** Whether SEEC should take additional opportunities to contact new Ministers in the short term (e.g. with existing work such as Missing Links) or wait to develop new work and contact them with a fresh approach (e.g. housing barriers report due in the autumn).

The Chairman has already written to [Philip Hammond](#), David Gauke, Sajid Javid and the three DBEIS ministers tasked with shadowing LEPs in the SEEC area: Jo Johnson, Baroness Neville-Rolfe and Jesse Norman.

- **Brexit/ devolution:** The extent to which Brexit discussions can be used as an opportunity to push for a more devolved local government and how SEEC should engage in this and consider any impacts on place-making. Whether SEEC should get involved in the detail around procurement, waste or environmental issues, given the complexity of some technical/ regulation issues?
- **Joint working:** The extent of joint working by SEEC and SESL. This remains to be resolved with SESL's new leadership and staff team.

3. Draft SEEC business plan for discussion

Main theme option A: Funding & economic value post Brexit

A1. Business rates as core local government funding

Aim to ensure need assessments reflect SE challenges and that the new system adequately incentivises SE growth as the economic engine room of the UK in a post Brexit economy:

- i) Input to Government, Parliamentarians and LGA to influence development of the new system during consultation and progress of the Local Jobs & Growth Bill.
- ii) Influence and inform MPs on priority SE issues for business rate reform.
- iii) Regular updates/discussions for members to ensure SEEC work reflects SE concerns.
- iv) Make the case for action on SE key issues, eg incentives, risk, linking extra responsibilities to economic growth not demand-led costs such as attendance allowances, equal powers for areas without elected mayors, impact of SE demographics on funding need, future of the central list.

A2. Value of SE economy/ return on investment/ EU funding

Aim to raise awareness of the SE potential to drive UK success/ return on investments as the economy adjusts to Brexit:

- i) Consider external research/ publication of report to update SE economic performance data and its relative position to other areas of the country.
- ii) Make the case to Ministers/ SE MPs for the national value of investing in SE economic growth, including input in advance of the new Chancellor's autumn statement.
- iii) Make the case for funding sources to replace EU grants post Brexit (€490m over 7 years).

Main theme option B: Essentials for sustainable growth

B1. Infrastructure investment

Aim to help SE local authorities secure greater investment in infrastructure:

- i) Publish external review/ recommendations on infrastructure funding options.
- ii) Prepare proposals for Ministers/ MPs/ National Infrastructure Commission on how funding freedoms for SE councils could support economic growth.
- iii) Build on 2016 Missing Links report with new DfT team/National Infrastructure Commission to argue for investment in specific strategic transport needs.
- iv) Make the case for infrastructure investment that will be needed following any Government decision on a new runway in the SE.
- v) Explore SEEC's potential role in an all-tier SE Sub National Transport Body.
- vi) Consider report on benefits of skills devolution, including SE case studies on all-tier roles in identifying and filling gaps arising from under supply of some skills and potential impact of limits on EU workers.
- vii) Consider member discussion on potential for a SE-wide, collective offer to Government on housing growth in return for a guaranteed level of infrastructure investment.

B2. Housing barriers

Aim to help SE authorities overcome barriers that are holding back planned housing development:

- i) Publish SE report on housing barriers and potential solutions, including case studies.
- ii) Via bespoke work and consultation input, make the case to new Ministerial team and SE MPs for policy changes to allow councils greater ability to incentivise development of approved planning permissions.

B3. Wider South East liaison

Aim to work with London Mayor, London Councils and East of England on shared infrastructure needs and to ensure the SE voice is heard in development of the new London Plan:

- i) Deliver focused, relevant political steering group meetings that help members agree joint actions to influence Government on policy and investment decisions affecting the WSE, particularly on housing & infrastructure.
- ii) Arrange and promote an interactive annual summit to give SE councillors the opportunity to influence the emerging new London Plan.
- iii) Ensure SE views are presented during formal consultation on the London Plan.

Main theme option C: Devolved powers

C1. Devolved powers

Aim to make the case for greater devolution of funding and powers:

- i) Make the case to Ministers to allow councils greater control over fees and charges so commercialisation can make services self-funding. Potential to prepare/ publish SE case studies.
- ii) Member debate on what additional powers/ roles or place-making responsibilities should be devolved to local government post Brexit to prevent greater centralisation in England. Debate would inform input to Ministers and the LGA, which holds a local government seat in the negotiating team.
- iii) Consider member debate on next steps for devolution and whether SEEC should prepare a briefing for Ministers and MPs on what would make devolution more accessible for SE authorities.
- iv) Consider interest in concept of devolution to parishes. *Members may wish to consider to what extent this should be a focus given current lack of primary devolution deals in the SE.*
- v) Consider whether SEEC should explore work on options for local government reorganisation as a potential route to open up greater devolution in the SE.

Main theme option D: Health & Care

D1. Health & care

Aim to make the case for greater involvement from SE local authorities in integration:

- i) Consider how SEEC could further the case for all-tier involvement in health & care. SE demographics are compelling but it is unclear whether there are SE-specific actions not already covered by LGA work in this area.
- ii) Consider whether there is anything specific on STPs that would benefit from SEEC work, for example a status review of all STPs across the South East and sharing of good practice.

Option E: Cross cutting projects

E1. Cross cutting projects

Aim to ensure members receive regular updates on new trends and emerging issues:

- i) Updates for members on migration (Syrian resettlement/ wider asylum dispersal/ UASC). Also regional co-ordination role for placement of Syrian refugees/ UASC. *NB This work is hosted by SEEC and fully funded by Home Office grants.*
- ii) Data dashboard. Produced in house twice yearly as evidence base for SEEC input to Ministers/ consultation responses & similar work.
- iii) Regular monitoring of policy announcements to ensure SEEC voice is represented in relevant consultations and to provide members with SE-specific briefings on major events such as the Budget, Queen's speech etc.
- iv) Communications. Monthly member/ MP/ stakeholder newsletter, occasional Wider South East newsletter, news releases, by-lined articles, case studies, website.