

MINUTES OF THE EXECUTIVE MEETING

Tuesday 22 March 2016

Engineering Employers' Federation
Broadway House, Tothill St, London, SW1H 9NQ



Present: Nicolas Heslop (Chair)
Roy Perry (Deputy Chair)
David Monk (Secretary)
David Burbage MBE
Myles Cullen
Neil Dallen
Roland Dibbs
Lynne Hack
Stephen Parker
Carole Paternoster
Tony Page
David Neighbour
Andrew Bowles
Timothy Wheadon
Paul Bettison

In Attendance: Richard Harrington MP – Minister at CLG, DFID & Home Office
Jeanette Henderson, CLG
Nick Wale, Home Office
James Strachan, Hampshire CC
Nicola Morton, LGA
Kate Herbert, LGA
Heather Bolton, SEEC
Nick Woolfenden, SEEC
Susie Yapp, SESL
Emma Sutton, SEEC/ SESL
Roy Millard, SESPM
Ian Mackie, SEEC

1. Apologies, declarations of substitutes and declarations of interest

1.1 Paul Bettison substituted for David Hodge. Apologies came from Paul Carter, Van Coulter, Keith House, Ian Hudspeth, Bob Standley and Chris Townsend. No declarations of interest.

2. Richard Harrington MP, Minister for resettlement of Syrian refugees

2.1 The Minister thanked councils for their work so far to support the resettlement of Syrian refugees in the South East (including 72 refugees before Christmas) but recognised that careful planning is key to the future success of the programme. Future arrivals would be 125 people per quarter for each English region – including the South East – with a regional process to match families to specific councils. Councils would receive funding for five years, reducing year on year, but for refugees with specific needs a hardship fund would make sure there is no burden on council tax payers.

2.2 The Minister explained UK-bound refugees met international vulnerability criteria and had to pass health & security checks. His team were exploring ways to help reduce burdens on local authorities, for example via a programme matching refugees to small businesses in need of staff, and a church-led pilot where landlords offer homes at reduced rents.

2.3 In discussion, members raised points including:

- The need for Syrian refugees with complex needs to be matched with areas that are best equipped to provide the services they need.
- The high cost of housing in the South East.
- Expectations of whether refugees would stay after their initial five year visa period.

- Confusion between the process for accommodating Syrian refugees and separate Government requests to accept other asylum seekers.
- How to maximise skills-matching so people can be placed in areas with suitable job opportunities. The Minister explained DWP will be piloting pre-arrival video interviews.

ACTION 1: SEEC to write to Richard Harrington MP with an offer to help test a skills matching process.

3. Devolution & funding: future prospects for the South East

3.1 Nicola Morton, LGA Head of Finance, gave an overview of the 2016-17 funding settlement headlines, including factors affecting the South East such as:

- Negative Revenue Support Grant 2019-20 – 56 councils in the South East will be expected to pay a share of local business rates to Government as their income will be higher than expected RSG. Extra funding for 2016-17 and 2017-18 had reduced the impact for these South East councils in the short term.
- Core Spending Power (CSP) to 2020 – in 2016-17 and 2017-18 the South East had lower decreases than other areas, but in 2018-19 the South East was the only area with a further reduction. South East CSP rises in 2019-20 but by less than other areas.

3.2 In discussion, members highlighted points including:

- Which South East councils were affected by negative RSG.
- Whether councils rejecting 4-year funding settlements would be the focus of future cuts and be excluded from council tax increases open to others.
- Rises in council tax to fund social care do not cover the rising costs of the service.
- Government changes to business rate reliefs and inflation calculations would reduce total business rates income, giving councils control of a smaller tax base.
- Companies would expect retained business rates to fund better infrastructure – they will not expect the money to be top-sliced and sent to other areas. Top-slicing would also undermine councils' incentive for growth.
- The future of dual central and local business rates lists, where ex-publicly-owned companies can switch between the two. This has detrimental effects on some areas.

3.3 Nicola Morton explained the LGA is working with CLG to help design a new business rate system. Discussion papers were expected shortly. Councils' input would be welcome and two dedicated email contact points had been established for this:

- Business rates: businessrates@local.gov.uk
- General finance: lgfinance@local.gov.uk

3.4 James Strachan, Hampshire CC, Assistant Director for Devolution (interim) updated members on the council and partners' bid for devolution. Despite identifying potential for devolution to add £3bn to UK plc, a possible deal had been postponed after late pressure to accept an elected mayor did not gain support from all partners.

3.5 Hampshire CC Leader Roy Perry added that earlier discussions had not stressed the need for a mayor and Government's late change to require an elected mayor left insufficient time to properly consult councillors, the public or other partners.

3.6 In discussion, members highlighted issues, including:

- The need for clarification and consistency on requirements for devolution, including minimum size of a combined authority, the need for an elected mayor and Ministers' views on creating more unitary councils.
- The view that elected mayors are unsuited to many parts of the South East.
- Lack of clarity on who can veto proposals for a combined authority where there are different views from different tiers of councils.
- Whether devolution deals follow templates or are tailor-made for individual areas.

ACTION 2: SEEC to respond to LGA's forthcoming discussion papers on business rates.

ACTION 3: SEEC to circulate LGA business rate & finance email contacts for members to raise issues direct (see section 3.3 above).

ACTION 4: SEEC to circulate a link to [Nicola Morton's slides](#) and a list of South East councils affected by negative RSG.

ACTION 5: SEEC to circulate a link to [James Strachan's slides](#).

4. SEEC – future funding options, subscriptions and budget 2016-17

4.1 The Chairman suggested a Task and Finish Group to consider SEEC future subscriptions for 2017-18 onwards, chaired by David Monk (Shepway DC) with representatives from all tiers. Roy Perry (Hampshire CC) and Paul Bettison (Bracknell Forest unitary council) were also nominated to join the group.

4.2 A subscriptions freeze for 2016-17 was agreed and the budget for 2016-17 was approved.

ACTION 6: SEEC to invoice members for 2016-17 at current subscription rates following the AGM.

ACTION 7: Task and Finish group to report back to SEEC's September Executive on subscription options for 2017-18.

5. Minutes of SEEC Executive Meeting on 26 November and matters arising

5.1 The minutes were agreed. There were no matters arising.

6. Information updates: Latest SEEC activity report

6.1 Members welcomed updates on SEEC's recent work in the meeting paper. Points raised were:

- SEEC members of the Wider South East Political Steering Group reported on a positive meeting on 10 March to agree strategic direction and priorities. The group aims to meet the new London Mayor this summer.
- SEEC's response to consultation on TfL management of some South East rail services has requested a representative on the TfL board.
- The Chairman encouraged members to circulate SEEC's new electronic newsletter to all councillors and asked officers to also send it to MPs.

ACTION 8: SEEC to circulate a copy of the [TfL rail submission](#) to Executive members.

ACTION 9: Executive members to circulate SEEC electronic newsletter to all councillors in their authorities.

ACTION 10: SEEC to circulate electronic newsletter to South East MPs.

7. Confirmed forward meeting dates:

- 25 May 2016 – SEEC-SESL workshop on integrating health & care
- 30 June 2016 – SEEC Annual General Meeting (shared date with SESL)
- 30 September 2016 – SEEC Executive (shared date with SESL)
- 1 December 2016 – SEEC Executive (shared date with SESL)

8. Any other business

8.1 SEEC and SESL are jointly commissioning a piece of work on innovative funding for infrastructure. Proposals have been shortlisted for the Chairmen's review.

8.2 It was agreed Timothy Wheadon (from Bracknell Forest Council) would take over as SEEC Lead Chief Executive following Chris Williams' retirement.

8.3 The meeting closed at 3.30pm.

Signed:

Nicolas Heslop, Chairman