

South East First

The Newsletter of South East England Councils

January 2017

Unlock the housing blockers

SEEC's [new report](#) on the barriers to housing delivery argues local authorities need new powers to unlock tens of thousands of unbuilt homes and to fund more affordable housing and better infrastructure.

Launched ahead of the Government's forthcoming Housing White Paper, '*Unlock the housing blockers*' calls on Ministers for action to help local authorities deliver the new homes and infrastructure that are vital to meet the needs of the South East's growing population and economy.

The report sets out how greater freedoms and flexibilities could allow councils to ensure more planning permissions turn into actual homes. This includes powers to incentivise builders to deliver approved permissions swiftly, local targeting of skills funding to fill workforce gaps, and access to funding for councils who want to build their own affordable homes.

In addition, SEEC proposes changes that would better enable local authorities to secure funding for the infrastructure that is vital to support new homes. For example, setting aside a portion of locally generated taxes such as business rates or 'first sale' stamp duty could help fund the infrastructure necessary to support sustainable development. Local authorities should also be able to set the level of developer contributions towards infrastructure on all developments – including starter homes and smaller sites that are currently exempt.

The 7 solutions identified in the report are:

1. Powers for councils to incentivise delivery where building is too slow
2. Ensure access to finance for smaller builders to increase competition in the industry
3. Provide certainty for developers and councils through a stable and simple local planning system
4. Improve construction skills by allowing councils to target funding at training gaps
5. Allow councils to recover full planning costs through the fees they charge developers
6. Raise funds for affordable homes by allowing councils to borrow & set how much developers pay
7. Increase infrastructure funding by allowing councils to keep more local taxes, such as business rates and stamp duty.

SEEC suggests 5 infrastructure funding solutions

Writing to Housing Minister Gavin Barwell MP, SEEC has proposed 5 funding solutions that would help local authorities close the South East's £15.4bn funding gap for infrastructure needed to support new housing over the next 15 years.

Emerging research conducted by Local Government Futures for SEEC estimates the total cost of providing transport, education, health, community and green infrastructure in addition to flood protection, utilities and emergency services at £38.3bn. Funding streams are expected to cover £22.9bn of these costs, leaving a funding gap of £15.4bn.

While acknowledging there is no new money available, the letter argues that a package based around reallocating existing funds would help to support the delivery of new homes and ensure they do not become unsustainable by adding to existing congestion, overcrowding and pressure on services.

The 5 funding proposals are to:

- Create one or more South East infrastructure funds
- Review proposed changes to New Homes Bonus
- Allocate stamp duty on new homes to infrastructure investment
- Give councils greater accountability over local income streams
- Give councils greater confidence to borrow for infrastructure investment

South East facing greater service pressures

SEEC Chairman, Cllr Nicolas Heslop has responded to an Institute for Fiscal Studies' (IFS) report that shows councils in the South East have avoided the brunt of spending cuts, arguing the South East had the lowest level of spending going into austerity and faces greater service pressures.

[Writing in the Local Government Chronicle](#) (LGC), Cllr Heslop said that the IFS figures, showing higher percentage falls in metropolitan areas than in two-tier areas such as the South East are not a fair basis for comparison as they did not consider councils' level of spending per resident, which shows the South East had a much lower starting point.

SEEC analysis showed that spend per resident in the South East today at just £628 remains among the lowest levels in the country, while at an average £861, London Boroughs have almost £100 more per resident than their South East neighbours had in 2009-10 – before 7 years of austerity cuts.

Cllr Heslop stressed that low levels of South East funding over many years mean that our authorities are struggling to meet service and infrastructure pressures. Many South East councils border London and face the same problems but have less funding per person to respond to deprivation, rapidly increasing demand for social care, congestion and the high cost base for property and salaries.

The local funding system is broken he argued, and must be replaced with one that has a better way of assessing individual councils' need. This will require an approach that does more than simply extrapolating what has been spent in the past.

South East proposes transport gateway study

SEEC and SESL have written to Transport Select Committee Chair, Louise Ellman MP to propose an investigation into how investment in strategic transport corridors can maximise the economic potential of international transport gateways.

SEEC and SESL representatives met with Louise Ellman in November 2016 to discuss issues raised in the [Missing Links](#) report. At the meeting it was suggested that the Select Committee could investigate the merits of a more strategic approach to investing in a number of nationally significant corridors that facilitate economic growth. The MP said that she welcomed a more detailed proposal.

The resulting [joint letter](#) argues that companies from across the UK rely on the South East's transport gateways to reach international markets. However, road and rail routes to and through the South East are congested, overcrowded and inefficient. This damages business profitability and makes the UK less attractive globally as an investment option.

The proposal maintains the country needs an investment strategy that looks to deliver high quality and reliable long-distance strategic routes that businesses need to maximise their productivity and economic potential via an expanded Heathrow and other international gateways. It highlights the opportunity to build on the economic potential of Heathrow Airport's expansion and help avoid increased transport congestion by investing in existing and new road and rail infrastructure.

The letter draws specific attention to the 5 key strategic transport schemes identified in our *Missing Links* report and underlines how they would facilitate growth at Heathrow Airport, open up significant economic potential across a much wider area, and support growth elsewhere in the country. These schemes have the potential to generate significant long-term benefits for businesses and residents, and offer excellent returns on investment to the Treasury.

Migration update

Recently published Government figures show that as of 30 September 2016, 375 people had been resettled across 30 South East authorities under the Syrian Vulnerable Persons Relocation Scheme (SVPRS).

The South East Strategic Partnership for Migration (SESPM) continues to manage arrivals to the South East under the SVPRS and is working closely with our authorities to match pledges to charter flight allocations.

Nationally, the SVPRS had seen 4162 arrivals – approximately 21% of the 20,000 Government target by 2020. The Government has also committed to resettling 3,000 children from the Middle East and North Africa under the Vulnerable Children's Relocation Scheme (VCRS) over the lifetime of this parliament.

SESPM are currently seeking to place 13 cases under SVPRS with significant mobility needs (additional funding is available for adaptations) and are looking to place 5 cases on VCRS. Local authorities that could potentially offer places are asked to contact SESPM Manager, [Roy Millard](#) for further information.

SESPM is working with 6 South East authorities that have recently agreed in principle to participate as asylum dispersal areas. The new authorities will join long standing South East 'asylum dispersal' areas Portsmouth, Southampton and Hastings. SESPM will continue to work in partnership with all authorities to coordinate dispersal at locally agreed levels. All properties are sourced and maintained by the Home Office contracted provider and have to be agreed by the local authority before they can be used.

News Roundup

London Mayor's spokesman responds to SEEC call for Green Belt release

Following [SEEC's response](#) to the Mayor's vision [A City For All Londoners](#), Planning Resource Magazine ran an article (subscription only) on SEEC's call for the Mayor to consider Green Belt release to meet London's housing need and to avoid increasing housing pressure in the South East. The article quotes an unnamed spokesperson for the Mayor who said: "The Mayor ... has never asked any local authority in the South East to help meet London's housing need, as he firmly believes that London is able to meet its population demands within its own boundaries and without building on the capital's Green Belt."

Housing Minister to engage with councils on speeding up delivery

Wider South East representatives met with Housing Minister Gavin Barwell MP on 19 January to discuss potential actions to speed up housing delivery. He has asked for more detailed proposals for changes, with worked up examples of how greater powers would enable authorities to deliver more homes. The Minister also said he wants to meet groups of councils to discuss barriers to delivery and hear views on the white paper once it is published. He wants groups of councils to approach him for meetings, particularly those with shared economies/ local plans.