

# South East First

The Newsletter of South East England Councils

March 2017

## *Minister draws capacity crowd for Housing White Paper event*

Over 120 councillors, officers and private sector representatives attended the South East's Ministerial consultation event – jointly organised by SEEC and DCLG – to discuss key opportunities and challenges presented by the Government's Housing White Paper. The event on 6 March saw Minister of State for Housing, Gavin Barwell MP take questions from the audience for over an hour, during a dynamic Q and A session.

SEEC Deputy Chairman, Cllr Roy Perry opened the event and set out 2 key challenges to housing delivery in the South East:

1. By 2015 South East local authorities had given planning permission for at least 66,750 homes that had not been built. If councils are to face a housing delivery test, more effective tools are needed to incentivise delivery. It is also vital to ensure the construction sector has a good supply of materials and skilled labour.
2. Councils struggle to secure funding for affordable homes and infrastructure. Lack of upfront infrastructure investment is the main cause of existing residents' resistance to development. Allowing councils to retain a share of locally collected taxes could help fund local infrastructure.

Surrey CC Leader, Cllr David Hodge presented [suggestions for 4 areas](#) where he believes Government changes could help local authorities deliver more housing: Improving land availability; allowing local authorities powers to charge council tax or other fees on unused planning permissions; freedom for councils to borrow more against future housing income; and funding in advance of development for infrastructure to support new homes.

Gavin Barwell told the audience there was no 'silver bullet' to solve the housing crisis but that it would take lots of adjustments in a number of areas. He said that it would require all involved – developers, local planning authorities, land agents, utility and infrastructure providers – to cooperate and deliver.

Key points for South East local authorities raised during the Q and A session include:

- **Tools to incentivise developers:** When asked about allowing further powers for councils such as charging council tax or other fees, the Minister outlined 6 steps set out in the white paper that he believes would help councils speed up delivery. He said that if these measures do not sufficiently speed up delivery he might consider further powers. He said that it is important to get the balance right and his concern is that if the powers are too draconian it could discourage developers from making planning applications.
- **Infrastructure funding:** Responding to a call for a proportion of locally-raised taxes to be allocated to fund infrastructure, Mr Barwell acknowledged that development is not currently funding all the infrastructure necessary to support it. This is why Government introduced the £2.3bn Housing Infrastructure Fund and has announced a review of Section 106 and Community Infrastructure Levy. He said there needs to be a way of funding infrastructure by capturing the uplift in land value. Government is considering the option of setting a national

level for developer contributions and this could be considered in the Autumn Budget with an opportunity for consultation.

- **Green Belt:** When asked to clarify Government's position, the Minister said development on Green Belt would only be acceptable where all other options have been explored, including exploring options with neighbouring areas through a proposed Statement of Common Ground. Government intends to give clearer guidelines for development on Green Belt, which would create greater certainty for developers and help protect councils from litigation.

A fuller [report of the event](#) and Q&A is available on the SEEC website.

## ***Airport expansion needs strategic transport investment***

**SEEC has responded to a Transport Select Committee Inquiry call for evidence on Government's Draft Airports National Policy Statement (NPS). [Our submission](#) argues that transport improvements around an expanded Heathrow need to be part of a much wider strategic package to prevent damaging impacts on the South East and national economies.**

The call for evidence included a number of issues raised by SEEC in our [proposal for a Committee Inquiry](#), which followed a meeting between SEEC members and Committee Chairman Louise Ellman MP in late 2016. The Inquiry now announced will consider how well the NPS addresses changes to surface access, takes account of sustainability and environmental considerations and links in with other aspects of the Government's transport strategy.

Key points in the joint SEEC/ SESL response include:

1. Significant improvements in transport access to Heathrow are needed before expansion, to reduce the impact of congestion on South East residents, businesses & the environment.
2. Transport improvements around Heathrow need to be part of a much wider strategic package to ensure that:
  - Investment also improves transport to other airports and economic gateways, such as ports
  - Investment provides routes for non-airport traffic to bypass Heathrow, thereby helping to reduce congestion in the vicinity of the airport
  - Heathrow expansion is fully integrated with the Government's wider transport strategy
  - Congestion resulting from an expanded Heathrow does not damage the South East's economic success.

## ***SEEC briefs MPs on 3 steps to ensure Housing White Paper helps the South East***

SEEC's [South East MP Special Briefing](#) explains that while Members welcome some proposals in the Housing White Paper, additional measures will be required to help councils tackle a backlog of unused housing planning permissions and infrastructure needs.

The Briefing states that housing and supporting infrastructure are key issues in the South East, where a backlog of unbuilt houses that means many locally agreed housing plans are not being met. Shortages of transport and other infrastructure are also a major cause of residents' resistance to new development.

Highlighting the 7 recommendations in SEEC's recent report '[Unlock the housing blockers](#)' the briefing argues that Government changes are required to help councils incentivise progress on stalled sites and speed up the delivery of 66,750 unbuilt homes in the South East. These include the ability to

charge council tax or other fees on unbuilt homes and strengthening the criteria on what constitutes 'commencement' of development – so that a single trench cannot be classed as starting to build.

We also emphasise the need for changes I to free up funding for councils to build more affordable housing, for example removing the cap on borrowing against the Housing Revenue Account. SEEC also called for the ability to charge Community Infrastructure Levy or Section 106 contributions on sites of 10 or fewer homes, which are currently exempt. The white paper has since promised consultation on extending developer contributions to such small sites.

The briefing outlines how the South East's infrastructure funding shortfall, estimated at £15.4bn over the next 15 years could be addressed by a package of funding proposals set out by SEEC in a recent [letter to Gavin Barwell](#). It includes proposals to: create one or more South East infrastructure funds; review changes to New Homes Bonus; allocate first-time stamp duty to fund infrastructure; and to give councils greater control over local income streams, allowing greater confidence to borrow against future income.

The Briefing also updates MPs on SEEC's work with London and the East – through the Wider South East Summit – to mitigate the impact of London's growth on South East housing and infrastructure.

## *Chancellor's Budget prepares Britain for future outside EU*

**Chancellor Philip Hammond's Spring Budget set out the Government's priorities for preparing Britain for a global future post-Brexit: equipping young people with the skills they need, supporting public services and helping ordinary working families in an economy that works for everyone.**

Headline messages for South East councils include:

- The additional £2bn funding over 3 years announced for adult care will be welcomed in the South East, which has the UK's largest population of over-75s. However LGA figures indicate Budget announcements will not be sufficient to fill the care funding gap, estimated at £2.6bn nationally by 2020.
- Proposals for business rate changes could have implications for business rate collection by South East local authorities, who collected a total of £3.5bn business rates in 2015-16.
- The Chancellor made no announcements on infrastructure or other specific opportunities in the South East and his focus on actions to drive up performance of other parts of the country could disappoint South East ambitions for strategic investments here.

Read SEEC's [Spring Budget Member Briefing](#) in full.

## *Migration update*

**Recently published Government figures show that as of 31 December 2016, 480 people had been resettled across 36 South East authorities under the Syrian Vulnerable Persons Resettlement Scheme (SVPRS).**

Nationally, the SVPRS had seen 5454 arrivals – approximately 27% of the 20,000 Government target by 2020. The South East Strategic Partnership for Migration (SESPM) continues to co-ordinate arrivals to the South East under the SVPRS and is working closely with authorities to match arrivals with pledges.

The refugee resettlement scheme has now been extended to include a further 3,000 people in families in the Middle East and North Africa and SESPM are working with authorities to also find places for these refugees.

The National Transfer Scheme for Unaccompanied Asylum Seeking Children has been in operation since 1 July 2016 and SESPM has placed on a case by case basis a significant proportion of the children referred under the scheme. SESPM is currently scoping South East local authorities' capacity to assist the UK's commitment to support the remaining 150 'Dubs' children in Europe entitled to come to Britain.

The Syrian refugee scheme has now been operating for 18 months and on 8 March SESPM organised a review event for South East authorities to meet Home Office officials to share best practice and address emerging challenges. Key areas covered included the impact of the benefit cap, getting refugees into employment, expanding English language lessons, refugee resettlement in rural locations, and finance and payment issues. A follow up meeting focused on health is being arranged.

Also in March SESPM Chairman and Dover DC Leader Cllr Paul Watkins spoke at the Westminster Policy Forum's 'The future of UK immigration policy' conference. He covered policy areas including asylum, refugee resettlement and the potential impact of Brexit. He also called for discussions on the impact of policy changes that have the potential to shift costs of support to local authorities – for example on families whose claim for asylum has been fully refused but who are not complying with their removal directions.

Cllr Watkins welcomed the introduction of a more place-based approach under one central command within the Home Office, the introduction of the Controlling Migration Fund and the expansion of English Language Support under the SVPRS. He said it is vital that all schemes are fully aligned and funded, to ensure councils are able to offer proper support and to continue to provide vital services for their local communities.

## ***News Roundup***

### **Cllr Van Coulter**

SEEC Members have been saddened by news of Cllr Van Coulter's sudden death on 13 March. Van had been a member of SEEC's Executive since 2013 and a Labour Councillor on Oxford City Council since 2010. He worked as a political economist, specialising in labour market economics and sustainable development. Van was also a director at Ruskin College, Oxford and Chair of the Association for Public Service Excellence (APSE). Cllr Nicolas Heslop and Cllr Roy Perry have sent condolences on behalf of SEEC.

### **WSE Political Steering Group Meeting**

SEEC representatives will join colleagues from London and the East of England for this year's first Wider South East Political Steering Group Meeting on 31 March. On the agenda will be discussions on the potential to build on January's [letter to Gavin Barwell MP](#) as the basis for a collective response to the Housing White Paper and how to take forward joint influencing work on priority strategic transport investment needs, including projects from SEEC's [Missing Links](#) report.