

South East First



The Newsletter of South East England Councils

May 2017

Councils need more tools to help meet housing delivery test

[SEEC's response](#) to the Housing White Paper consultation argues further tools and freedoms are needed to enable councils to help support the delivery of new homes. It also calls on Government to work with councils to ensure any changes do not lead to immediate reviews of newly approved Local Plans, or create uncertainty for developers.

Our submission explained that the success of the 6 March SEEC-DCLG [White Paper consultation event](#) had demonstrated South East local authorities' willingness to help secure housing growth, if given the tools to deliver. Whilst welcoming some aspects of the White Paper, SEEC argued for South East councils to be closely involved in shaping the detail of future changes to ensure they do not hinder current progress in delivery of homes or local plans. Key areas where SEEC wants to work with DCLG to define details include:

- Managing transition to a proposed new standardised calculation of housing need
- Clarifying how a proposed 'statement of common ground' would work
- Confirming that new Green Belt policy/tests would clarify rather than change current policy
- Shaping the new delivery test.

SEEC also argued that some White Paper proposals did not go far enough to fully enable councils to speed up the delivery of new homes and called for:

- Powers for councils to charge fees on unnecessarily delayed building to tackle unimplemented permissions
- Tools to allow councils to meet a housing delivery test or refocus the test onto housing permissions that councils can control
- Reallocating existing infrastructure funding and providing councils with more financial freedoms to address the South East infrastructure funding gap, to unlock home-building
- Removal of the HRA cap and a review of Right to Buy to ensure 1 for 1 replacement to free-up funding for councils to build more affordable social housing
- Consideration of a pre-sales guarantee to support smaller housebuilders and encouragement of efficient construction methods to improve the industry's capacity and efficiency
- A more locally-responsive skills system, including more high quality school places and an all-age locally commissioned careers service to address construction skills gaps.

Conservatives take control of 2 more South East councils

Elections in 8 South East councils saw Conservatives gain 54 seats, taking control of both East Sussex CC and Isle of Wight. Oxfordshire CC remains No Overall Control with Conservatives the largest party.

Six out of seven counties are now controlled by the Conservatives who have a total of 2,367 councillors. Labour remain the second largest party in the South East although a reduced share of votes saw a loss of 19 seats. Increased support for the Lib-Dems brought a gain of 15 seats. Reflecting a national trend, a fall in support for UKIP saw them lose all of their 47 County Councillors in the South East.

A full breakdown of the 2017 local authority Election results and current South East party standings is available in SEEC's [Member Briefing](#).

All tiers should retain a reward for economic growth

Responding to DCLG consultation on Business Rates Retention, [SEEC argued](#) in favour of a system that would allow all tiers of council to retain some long-term financial benefits from delivering economic growth.

SEEC's submission stated that local financial benefits are critical to ensure a new system does not disincentivise growth by redistributing a large proportion of local growth proceeds to other areas. While some councils would welcome opportunities for business rate pooling and to create local growth zones, these should be voluntary and not centrally-imposed.

South East local authorities should also have the same access to incentives – such as local growth zones and higher levels of retention – as those areas with combined authorities and elected mayors. Ways to help mitigate councils' financial risk would be welcome, but reform of the Valuation Office Agency is also needed to improve the speed and consistency of their assessments.

SEEC called for a new, more transparent approach to assessing baseline needs with a clear focus on per capita allocations, rather than funding based on historic spending patterns or outdated weightings for particular issues. Baseline funding calculations should also consider whether existing council responsibilities are adequately funded by business rate income; the increased cost of premises and salaries in high cost areas; and how to avoid penalising the entrepreneurship of councils that have developed local income streams to supplement grants.

In addition SEEC called for clarification as soon as possible after the June 2017 General Election on whether the new Government intends to pursue reform as currently proposed and if the target implementation date will remain April 2019.

South East Housing Company Network meets for first time

Housing, finance and legal officers from councils across the SEEC area met this month to shape plans for a new network for councils using housing companies or other delivery vehicles. The aim is to share resources and good practice to help councils deliver more homes.

January's SEEC-LGA '[Building Homes & Funding Associated Infrastructure Workshop](#)' showed the level of interest in sharing ideas and a SEEC online officer survey in March identified key topics for a network to consider, such as joint procurement options.

A group of 18 representatives from South East district, unitary and county councils met on 9 May to scope the structure and purpose of the network. Attendees agreed on a 'virtual' network format that would put councils in contact with one-another online, with occasional meetings to share good practice. SEEC will facilitate information sharing via its website, host meetings and liaise between the network and SEEC members on policy influencing issues.

The next network meeting will be held in late autumn to enable officers to share expertise and explore opportunities to work with SEEC and any relevant external organisations. To join the network or for further information on its activities please contact: admin@secouncils.gov.uk.

News Roundup

SEEC AGM to include Brexit Workshop

The SEEC [AGM and All Member Meeting](#) on 23 June will include a workshop on how Brexit will impact on local authority roles and skills needed for a successful economy. Topics covered will also include migration and border security. Round table debates will focus on what is needed to avoid damaging the South East economy, with member input helping to shape SEEC's future work to influence the new Government. The event is targeted primarily at councillors from SEEC member councils. Please contact admin@secouncils to reserve a place.

Councils lack capacity and data to hold developers to account

A DCLG Select Committee report '[Capacity in the homebuilding industry](#)' published this month, has expressed reservations over "whether local authorities have either the capacity or the data to effectively hold developers to account". This is in line with SEEC members' own views set out in our [Housing White Paper response](#) and our earlier [Unlock the Housing Blockers](#) report. The Select Committee report also reflected [SEEC's call](#) for removing Housing Revenue Account (HRA) caps, recommending that "all HRA borrowing caps should be raised and in some cases removed, where housing affordability is at its worst."