

SEEC HIGHLIGHTS

2016-17



Influencing Government

SEEC works effectively to represent the interests of South East unitary, county and district councils. SEEC brings together leaders and senior councillors to ensure South East views are heard by national policy and decision makers.

Work in 2016-17 covered critical issues affecting the South East such as: housing & planning, funding, infrastructure, economic value, health & care, migration and the impact of London's growth.

The year saw an impressive programme of events and influencing opportunities for SEEC members including:

- 5 free events open to all SEEC members to influence senior opinion formers. Speakers at these included Housing Minister Gavin Barwell (March), DCLG secretary of state adviser Tim Leunig and Lord Kerslake (January), London Deputy Mayor Jules Pipe (December), National Infrastructure Commissioner Bridget Rosewell OBE (June) & LGA social care lead Izzi Seccombe (May).
- Additional smaller meetings also gave groups of SEEC members the chance to discuss priorities with Gavin Barwell and Transport Select Committee Chair Louise Ellman.
- SEEC delivered an extensive programme of 25 South East policy proposals and consultation inputs – successfully influencing in areas such as business rates, housing and local growth funding.
- In addition to monthly e-newsletters, SEEC delivered 5 member/MP briefings, bespoke research & 2 data dashboards to update members and MPs on South East issues and priorities.

Housing and planning

Housing was a focus for SEEC this year as a shortfall in homes rose up the political agenda and Ministers published February's long-awaited Housing White Paper. A growing backlog of unbuilt planning permissions across the South East means that, despite having England's highest net addition of homes (34,900 in 2015-16), many locally agreed housing plans are not being met.

In summer 2016 SEEC's [response to consultation on Capacity in the homebuilding industry](#) and a [joint Wider South East letter](#) to DCLG Secretary of State Sajid Javid called for a range of powers to help councils tackle barriers to housing delivery.

As the year progressed, member input shaped SEEC's January 2017 '[Unlock the housing blockers](#)' report. This set out [7 key recommendations](#) to tackle homebuilding backlogs and allow councils to actively encourage delivery of locally-agreed housing plans and supporting infrastructure.

*Lord Kerslake,
President of
LGA, speaks at
January's
'Building Homes
and Funding
Associated
Infrastructure'
workshop*



The report was launched at SEEC's January 2017 All-Member meeting, which was combined with a workshop on [building homes and funding associated infrastructure](#). Organised jointly with the LGA, the event for 90 delegates shared good practice on how councils can secure infrastructure and build homes through housing companies or other delivery vehicles.

The high level of interest led to the establishment of a South East Housing Companies and Delivery Vehicles Network (facilitated by SEEC) for officers to share experiences and consider joint procurement.

Government's February 2017 Housing White Paper reflected a number of SEEC's recommendations from '[Unlock the housing blockers](#)' including:

- Recognition of the need to tackle unimplemented permissions and some tools to help councils do this
- Funding for SME builders and construction training
- Some increase to local planning fees & consultation on reform of developer contributions for infrastructure, including small sites
- A change of focus away from starter homes to building affordable homes in all tenures.

About SEEC and the South East in 2016-17

SEEC's work centres on making the case for the strategic and funding priorities of the South East and its 9.1 million residents. Our website <http://www.secouncils.gov.uk> has more information.

The South East is the economic powerhouse of the UK. Over the 10 years to 2012 the South East paid £80bn more in taxes than it received in public spending. This 'profit' is the UK's highest and funds Government spending across the UK.

SEEC's data dashboard shows the South East has the UK's largest population and, with residents over 75 expected to double to 1.5m in the next 20 years, we face increasing demand for council services. There are also 909,000 people in income deprivation. However, low levels of South East funding mean average council spending per resident, at just £628 in 2016-17, remains among the lowest in the country and is £233 lower than in London.

SEEC is chaired by Cllr Nicolas Heslop (Conservative, Tonbridge & Malling BC). Cllr Roy Perry (Conservative, Hampshire CC) is Deputy Chairman. SEEC's work is steered by a cross party Executive of 19 leaders and senior councillors.

*Housing
Minister Gavin
Barwell takes
questions at a
SEEC-DCLG
White Paper
Consultation
event in March*



A joint [SEEC-DCLG Housing White Paper consultation event](#) in March was attended by over 120 people and gave SEEC members the opportunity to question Housing Minister Gavin Barwell directly about how White Paper proposals would work in practice. SEEC's [response to consultation on the Housing White Paper](#) welcomed action but also argued some proposals need to go further, making the case for:

- Reviewing the proposed housing delivery test and allowing councils to charge fees to tackle slow building of approved homes
- Reallocating infrastructure funding and more financial freedoms for councils to help fund local infrastructure to support housing
- Removing the HRA cap and reviewing Right to Buy to ensure 1 for 1 replacement
- A pre-sales guarantee to support SME builders
- A more locally-responsive skills system and an all-age locally-managed careers service.

SEEC also called 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. In particular SEEC asked to work with DCLG on Government proposals for:

- Transition to a standardised housing need formula
- How a 'Statement of Common Ground' would work
- Clarifying Green Belt policy/tests
- Shaping the new housing delivery test.

Earlier, [SEEC input to the DCLG Select Committee inquiry on the Local Plans Expert Group report](#) had reflected disappointment that recommendations focused on planning processes, not removing barriers to delivery. SEEC argued for reduced bureaucracy, and the need to avoid ongoing change to the planning system or increases in administrative burdens on councils, which all add to delivery times.

Funding and economic value

One of the South East's key strengths is its globally successful economy, which produces a large financial surplus and funds public spending nationwide. SEEC members are clear that better infrastructure and services are needed to maintain that economic success.

SEEC has consistently called for a review of funding formulas that have left the South East underfunded and for South East councils to have access to the same funding opportunities and financial freedoms as Metro Mayors and combined authorities.

Business rate reform has potential to help the South East retain more funding for infrastructure and services.

In September, SEEC responded to two consultations on business rates. Our [input on 100% retention](#) stressed the importance of allowing all tiers of council to retain some long-term financial benefits from delivering economic growth. Any new system must not disincentivise South East growth by redistributing a large proportion of growth proceeds to other areas.

Our [submission on Needs and Redistribution](#) called for assessment of funding need on a per capita basis as a fairer and more transparent way to fund everything from social care to infrastructure to deprivation.

Further Government consultation in spring reflected a number of SEEC's earlier policy asks including:

- Partial resets to allow councils to permanently keep some of the financial benefits of growth locally
- Reform of business rate appeals to mitigate risks to local authorities
- A review of the central list to provide greater clarity and certainty for local authorities
- Funding of Attendance Allowances from councils' retained business rates was no longer being considered.

SEEC's [response to this further consultation](#) on business rates stressed the need to avoid rushed introduction of change and opposed compulsory pooling. SEEC said Ministers should consider linking resets and revaluations and ensure baseline need assessments give adequate funding for existing council responsibilities. Funding should recognise needs of high-cost areas and avoid penalising entrepreneurial councils.

Meanwhile, SEEC Chairman Cllr Nicolas Heslop responded to analysis of an Institute for Fiscal Studies report that appeared to show councils in the South East had avoided the brunt of spending cuts. [Writing in Local Government Chronicle](#), he argued that the study looked solely at percentage falls in spending, ignoring the fact that the South East had the lowest level of spending going into austerity and faces greater service pressures.

Several pieces of SEEC work highlighted growing concerns over South East skills gaps. Our response to the [Industrial Strategy Green Paper](#) argued that skills gaps and under-investment in infrastructure threaten the South East's role as a major funder of public spending nationwide and a global gateway for UK plc.

SEEC's submission to [LGA on post-Brexit priorities](#) argued that supporting the South East's high performing economy is vital to maintain local and UK growth, identifying four key areas:

- Up-skilling to address labour shortages
- Minimal tariffs and investment in infrastructure
- Replace EU funding with UK-tailored grants
- Greater local control over former-EU powers.

[Responding to the 'Schools that work for everyone' consultation](#), SEEC argued that Grammars are not the only answer. More high quality school places are needed to improve life chances for all pupils and provide the skills required to access both academic and technical education. Government also needs to ensure adequate, fairer pupil and school improvement funding.

Infrastructure

SEEC made a strong case this year for increased Government transport investment in the South East. This focused on greater powers for councils to invest in local infrastructure and better targeting of investment to support South East economic and housing growth. The South East is the 'engine-room' of the UK economy, contributing £80bn more in taxes than it received in public funding between 2002-12 and investment here provides proven financial returns nationally.

SEEC's work to make the case for greater South East investment was boosted by bespoke research from finance experts Local Government Futures (LGF). This estimated the cost of providing transport, education, health, community and green infrastructure, flood protection, utilities and emergency services at £38.3bn over 15 years and identified a **gap** of £15.4bn once expected funding of £22.9bn is taken into account.

Building on the LGF research, SEEC [wrote to Housing Minister Gavin Barwell](#) in January 2017 to propose 5 funding solutions to help local authorities close the £15.4bn funding gap:

- Create one or more South East infrastructure funds
- Review proposed changes to New Homes Bonus
- Allocate stamp duty on first sale of new homes to South East councils to help fund infrastructure
- Allow greater council control of local income streams
- Give councils greater confidence to borrow for infrastructure investment.

At the SEEC AGM in summer 2016 Bridget Rosewell OBE, Commissioner, National Infrastructure Commission (NIC), advised the South East to focus on spelling out economic benefits when making its case for infrastructure investment.



Bridget Rosewell
OBE, NIC
Commissioner,
speaks at the
SEEC AGM

Her presentation helped inform three SEEC responses to NIC – [National Infrastructure Assessment consultation](#) (August 2016), [call for ideas](#) (November 2016) and [call for evidence](#) (February 2017) – which all argued that the South East's infrastructure deficit puts jobs and national economic growth at risk post Brexit. SEEC made the case for a national study into South East transport needs, as businesses UK-wide rely on South East transport networks. These are increasingly congested, harming businesses, commuters, residents and the environment – and this could be exacerbated if proposals for a 3rd Heathrow runway proceed.

Also speaking at the SEEC AGM, Geoff French CBE, Chairman of Enterprise M3 LEP, echoed the focus on economic benefits of infrastructure when presenting the results of a study undertaken by four South East LEPs. The project analysed the potential economic impact of

17 strategic road and rail schemes and demonstrated the significant returns to Treasury from investing in South East transport infrastructure.

SEEC's [Autumn Statement representation](#) called on Ministers to commit to a balanced portfolio of national infrastructure investment across the UK that not only includes regeneration projects, but also recognises the importance of high-return South East projects.

In December, 19 cross-party SEEC Executive members [wrote to DCLG Secretary Sajid Javid](#) and Business, Energy and Industrial Strategy Secretary Greg Clark, outlining concerns over a wide disparity between the South East provisional allocations of Local Growth funding and identified local needs. They argued inadequate South East funding risks economic growth, housing delivery, foreign investment and will undermine business confidence in LEPs as we prepare for Brexit. Following this, final allocations in February gave several South East LEPs significant increases on their provisional figures. Total Local Growth Funding for LEPs in the South East reached £351 million.

In November, a group of SEEC representatives met Transport Select Committee Chair Louise Ellman to discuss issues raised in our '[Missing Links](#)' report. Following the meeting, SEEC and SESL [proposed a Select Committee inquiry](#) to identify how investment in strategic transport corridors could maximise the economic potential of all South East transport gateways, alongside airport expansion.

The Committee announced an inquiry into the draft Airports National Policy Statement (NPS) in February, including a number of the points proposed by SEEC. [SEEC's evidence to the inquiry](#) stressed that transport improvements are needed before expansion and any improvements around an expanded Heathrow should be part of a much wider strategic package.

In May, [SEEC's response to DfT's own consultation](#) on the draft Airports NPS reiterated the need for transport improvements to be fully integrated with a wider transport strategy. SEEC also called for the Airports NPS to take a more comprehensive view of the non-transport infrastructure needed to support local communities and to set penalties for missing targets on noise, air pollution and public transport access.

Working with London

SEEC continues to work with the London Mayor, London Councils and East of England LGA to help influence London's housing and strategic infrastructure plans and minimise the impact of any London housing overspill on the South East.

The December [2016 Wider South East \(WSE\) Summit](#) provided over 100 local authority representatives with the first ever opportunity to hear the Mayor's early thinking on the new London Plan and to influence it prior to drafting. SEEC members called for:

- The earliest possible discussions if London cannot meet its housing demand
- A review of London's Green Belt before any discussion on meeting its need outside the capital
- Transport investment that helps economic growth both inside and outside London

- Any effort by the Mayor to move development outside London to focus solely on willing partners.

*Jules Pipe,
Deputy Mayor of
London for
Planning,
Regeneration and
Skills, speaks at
the 2016 Wider
South East
Summit*



Summit attendees agreed to continue joint influencing work on tackling housing barriers and strategic infrastructure. [13 infrastructure schemes](#), including several identified in SEEC's 'Missing Links' report, were endorsed as priorities for Government investment.

Responding to December consultation on the London Mayor's vision 'A City for All Londoners,' [SEEC reinforced its Summit calls](#) for the Mayor to consider Green Belt release to enable London to meet its own housing need internally.

The WSE Political Steering Group (PSG) – consisting of five representatives each from SEEC, London and East of England LGA – met three times during the year to discuss priorities and agree joint work.

In September 2016, PSG members [wrote to Secretary of State Sajid Javid](#) with suggestions to help unlock unimplemented housing capacity. This echoed SEEC's own work by calling for:

- Powers for councils to incentivise quicker building
- Freeing-up finances for councils to build more affordable housing through the Housing Revenue Account
- Funding powers and freedoms to allow local areas to secure investment for critical infrastructure.

After a joint meeting in January with Housing Minister Gavin Barwell, PSG representatives [wrote a follow up letter](#) on the backlog of unimplemented planning permissions. The letter called for mechanisms to set out an agreed level of progress to be achieved by a developer over a specified period. Failure to meet the targets would allow council tax or an equivalent to be levied.

Health and care integration

The drive to achieve integration of health and social care and secure sufficient care funding for the South East's growing elderly population, are continuing priorities for SEEC members. In May 2016 SEEC held a [workshop for members and officers](#) that looked at how councils and NHS can work together to deliver a seamless, patient-centred service that maximises cost efficiency. Speaking at the event, Cllr Izzi Seccombe, Chair of the LGA's Community Wellbeing Board, emphasised local government's central role in delivering a place-based approach to health and care. Actions and changes suggested during the workshop were refined by member input at the SEEC AGM to inform a letter to Ministers, including Health Secretary Jeremy Hunt, to propose [8 solutions](#) to common problems that are holding back integration.

Migration and refugees

SEEC continues to host the South East Strategic Partnership for Migration (SESPM). SESPM coordinates and supports South East councils' work with asylum seekers, Syrian refugees, the Vulnerable Children Relocation Scheme and the National Transfer Scheme for Unaccompanied Asylum Seeking Children (UASC). SESPM is providing training and sharing good practice on aspects of delivery and provides bespoke data analysis for the SEEC data dashboard.

In August 2016 SEEC Chairman Cllr Nicolas Heslop and SESPM Chairman Cllr Paul Watkins, [wrote to Immigration Minister Robert Goodwill](#) seeking clarification on policy and funding issues to help councils accept transfer of UASC. Many South East councils had expressed support in principle to help relieve pressure on Kent CC, which has significant numbers of UASC. Now, almost a year on, SESPM is working with councils to review and refine the allocation system. So far, around 40% of children moved under the National Transfer Scheme have been placed in the South East.

SEEC and SESPM also worked with the UK's Independent Anti-Slavery Commissioner to create a [series of free training films](#) that highlight the signs and symptoms of modern slavery and the vital role public sector staff can play in the identification of victims. To support the October launch of the films, the SEEC and SESPM chairmen wrote a [joint article on the importance of tackling modern slavery](#), which ran in LGA's First magazine. SEEC and SESPM officers also made presentations at an event to raise awareness of modern slavery among councils in Surrey and Sussex.

Data & briefings

SEEC published two editions of its South East [data dashboard](#) in the year. It provides an essential evidence base for members and underpins all SEEC's policy influencing work. It shows trends in the economy and employment; housing and infrastructure; public finance; demography; and migration.

Members continue to receive regular updates on SEEC activity in our monthly e-newsletters plus occasional Wider South East Updates. This year the format was extended to provide two update briefings for South East MPs – one focussed on our Autumn Statement representation and another following publication of the Housing White Paper.

SEEC produced on-the-day briefings for members covering the [Autumn Statement](#) and [Chancellor's Budget](#) as well as an update on the [results of the 4 May local government elections](#).

SEEC achieved significant coverage of members' views in local and national media this year. Positive coverage of SEEC's work on fairer funding, business rates retention, planning, our 'Unlock the housing blockers' report, calls for London's Mayor to consider Green Belt release and our Autumn Statement representation ran in media including LGC, MJ, Surveyor, Public Sector Executive, Local Government News, Property Magazine, highwaysindustry.com, International, 24Dash.com, The Planner, LGA First and local media.