

SOUTH EAST ENGLAND COUNCILS EXECUTIVE MEETING



Date: 23 March 2018

Subject: **Latest SEEC activity report and updates**

Report of: Heather Bolton, SEEC Director, Nick Woolfenden, SEEC Head of Policy Co-ordination and Roy Millard, South East Strategic Partnership for Migration

Recommendations:

- i) Discuss key issues for SEEC's NPPF response and email any additional suggestions to nickwoolfenden@secouncils.gov.uk by 10 April 2018
- ii) Note updates on SEEC's other recent work and contact heatherbolton@secouncils.gov.uk with queries or suggestions for future activity

Recent SEEC activity to raise the profile of members' interest and concerns has included work on economic growth, housing & planning, infrastructure and social care.

a) Initial views on MHCLG housing & planning consultations launched 5 March 2018

- a.1 The Government launched [consultation](#) on its draft revised National Planning Policy Framework (NPPF), closing on 10 May 2018. The draft new Framework implements the Government's reforms to planning policy, as proposed in last year's [Housing White paper](#) and '[Planning for the right homes in the right places](#)' consultations.
- a.2 The Government has confirmed its aim to substantially increase home building to 300,000 a year nationally (up from 217,000 in 2016-17, of which 36,526 were in the South East). It is taking forward last year's proposed planning reforms largely unchanged, except for the addition of a welcome transition period, reflecting SEEC calls – see below. The Government intends to publish a final NPPF before the summer. A small group of SEEC Executive members met Housing Minister Dominic Raab on 14 March to discuss key issues and will give a verbal update to today's meeting.
- a.3 Consultation documents include a full draft text of the NPPF (70 pages) and a 28 page explanatory document with consultation questions. An associated update to National Planning Practice Guidance (NPPG) was published on 9 March, including unchanged proposals for a new housing needs methodology to underpin Local Plan development. Government has also published consultations on the proposed [Housing Delivery Test](#) and draft [Planning Practice Guidance on Viability](#), plus [reforming developer contributions](#).
- a.4 Also of note are the preliminary thoughts from Sir Oliver Letwin's [review of barriers to housing delivery](#), which were [published on 13 March](#). Sir Oliver intends to focus on delivery delays on large sites by major housebuilders. He believes the fundamental driver of build-out is the absorption rate – ie how many homes can be sold without disturbing market sale prices. His review will now consider options including:
 - The impact of splitting large sites between different house-builders or ensuring greater diversification in the type and tenure of homes delivered on large sites.
 - The impact of reducing reliance on large sites.
 - Implications of different absorption rates for builders' business models.
- a.5 To shape SEEC's response to NPPF, views are invited on whether key issues (below) previously raised with Government are still relevant and any other issues to raise.
 - i. **Housing need calculation methodology:** The draft NPPF and NPPG propose taking forward Government's previous proposals.
 - **SEEC previously asked Government to review its proposed approach to housing need calculations, given unexpected results from the methodology compared to current assessed needs in the South East.** Members concerns included:
 - Increases for many parts of the South East with current high growth levels but limited further capacity
 - Reductions in other parts of the South East which could undermine local growth plans.

- **To make sure methodology outputs are deliverable SEEC suggested:**
 - Considering how Green Belt & protected land (which the Government has reiterated its support for) and development capacity should be factored into baseline need figures.
 - Reviewing Government's proposed affordability criteria.
 - Making clear that any 'reduced' needs figures do not take precedence over locally-led higher-growth plans.

ii. Tackling unimplemented/slow delivery of planning permissions, and housing delivery test on councils: NPPF confirms Government will implement a delivery test on councils, but does not include any significant extra levers for councils to incentivise builders.

- **SEEC has asked Government for further actions to ensure permitted homes are built-out more quickly, including tools for councils to help tackle the South East's growing number of unimplemented permissions and unlock agreed housing plans.** This is vital given Government proposals to impose a housing delivery test on councils.
- **Tools should include:**
 - Giving councils discretionary powers to charge council tax or other fees on unnecessarily stalled permissions.
 - Powers to better target skills funding to improve construction sector capacity.

iii. Infrastructure funding: Alongside the NPPF, Government is consulting on changes to developer contributions.

- **Members have been keen to ensure Government's focus on homes is not at the cost of sustainable economies and supporting infrastructure. SEEC has asked Government for more action to address the growing South East infrastructure funding gap, to help deliver the transport, broadband/utilities and affordable homes needed to support sustainable communities.**
 - Whilst Government proposals to improve Section 106 agreements and address viability issues could be helpful if they lead to increased local infrastructure funding, they will not be enough to address the £15.4bn (by 2030) South East infrastructure funding gap. More powers/funding flexibility for councils would help them play a greater part in funding local infrastructure needs and build more homes themselves.
 - NPPF increases focus on small sites but it can be hard for councils to secure developer contributions on such sites and it is unclear whether a collection of small sites will attract central infrastructure funding. Commercial to residential conversions are also a concern as there are no developer contributions and they can, potentially, undermine local economies through loss of business premises.

iv. Transition: Following calls from SEEC and others, NPPF now sets a transition timetable. This allows Local Plans submitted within 6 months of the final NPPF (expected summer 2018) to proceed under the 2012 NPPF and locally derived housing need. However concerns remain, including:

- NPPF proposals are a move in the right direction, but members may want to consider whether the proposed transition could have any adverse impacts on local plan timetables.
- Clarity is also needed about how the new Statement of Common Ground will work. There are concerns that it may add to bureaucracy and duplicate existing Duty to Co-operate processes without resolving problems where a council cannot meet its objectively assessed needs within its own boundaries.

b) SEEC Expert Panel on housing & infrastructure

b.1 In a timely event just four weeks before NPPF and housing consultations, SEEC's 1 February workshop gave members the opportunity to discuss South East growth challenges and opportunities with a high profile panel of public and private sector experts. The workshop also considered what still needed to change one year on from Government's Housing White Paper. A [full account of the workshop](#) is on the SEEC website.

b.2 Keynote speakers included Homes England Chairman Sir Edward Lister; LGA Chairman Lord Porter; National Infrastructure Commission Chief Executive Phil Graham; Berkeley Homes Group Chairman Tony Pidgley CBE; and MHCLG Director of Planning Simon

Gallagher. Good practice case studies included Reading BC's Cllr John Ennis on delivering affordable homes, and Surrey CC's Cllr Colin Kemp on scoping infrastructure needs.

- b.3 Workshop discussions emphasised the importance of delivering affordable and market homes for rent and sale, along with all types of supporting infrastructure. These are vital for sustainable communities and economies, with all tiers of council working together.

c) SEEC commissioned guide: Good practice in working with LEPs

c.1 SEEC is this month publishing a short [South East guide and checklist to support councillor engagement with LEPs](#) in shaping new Local Industrial Strategies (LIS). Commissioned from consultants Shared Intelligence, the guide builds on a member-LEP workshop at SEEC's December meeting.

c.2 Government sees locally-developed LIS as a key tool to help deliver its national Industrial Strategy framework. Launched at the end of November 2017, the framework aims to raise productivity and deliver growth nationwide.

c.3 SEEC's guide includes a checklist to help councillors think about how they can shape and contribute to LIS – especially given councils' place-making role, democratic accountability and wider partnerships. Effective councillor engagement will help ensure LIS reflect local priorities and provide a robust basis for securing investment that will support strong local economies. The guide also gives background to the national Industrial Strategy, local case studies on successful partnership working, and highlights some of the major South East economic issues to consider during LIS development.

d) SEEC responses to consultation

d.1 SEEC has been active in representing member views in recent consultations. Other agenda items today summarise responses on social care funding (item 2, para 2.1) and the draft London Plan (item 3, section 2).

d.2 SEEC also responded to DfT consultation on creation of a national Major Roads Network (MRN) to complement the existing Strategic Road Network (SRN). Key points included:

- Capital funding certainty is welcome but revenue funding is also needed for road maintenance.
- Environmental and safety measures should have a higher priority in designing MRN upgrades.
- The South East should have a more MRN roads than suggested in the consultation. This reflects the fact that the South East currently has a smaller-than-average share of SRN roads, despite higher-than-average traffic volumes.

d.3 A response is also under consideration for a Heathrow Airport consultation on airport expansion that closes in late March. A SEEC response would focus on infrastructure investment needed to ensure a new runway does not increase problems in the South East.

e) Ministerial letter on funding for Unaccompanied Asylum Seeking Children

e.1 SEEC and South East Strategic Partnership for Migration have [written to Immigration Minister Caroline Nokes MP](#) to highlight funding shortfalls of up to £4.6m a year for South East local authorities looking after Unaccompanied Asylum Seeking Children (UASC). Funding gaps are preventing councils from volunteering to accept UASC. The letter argues for structural changes as part of a current Home Office review of UASC funding. More capacity building is needed to help councils recruit, train and retain suitably qualified social workers. Councils also need full reimbursement of costs, for example:

- To cover high accommodation costs in expensive areas such as the South East
- Ability to claim care costs incurred while young people are assessed for eligibility
- Removal of thresholds so councils are refunded for the cost of supporting all UASC who become care leavers
- Ability to recoup basic costs for appeals-rights-exhausted UASC to prevent homelessness.

f) Refugee resettlement: Mid point progress report from South East Strategic Partnership for Migration

f.1 A workshop to mark the mid-way point in the Government's refugee programme has celebrated the fact that more than 1,000 refugees have now been resettled in the South East. Since the resettlement programme started in autumn 2015, some 56 South East

councils have pledged 3,100 places for refugees by 2020. However, to meet this target the rate of resettlement in the South East will need to rise from the current average of 35 people per month to 90 people per month for the remaining 22 months of the programme. The South East Strategic Partnership for Migration (SESPM) is working with councils to translate pledges into tangible places for refugees. Any authorities who want to discuss their capacity for resettling refugees should contact SESPM Head of Partnership Roy Millard via roymillard@secouncils.gov.uk.

g) Member briefing on Chancellor's spring statement

g.1 SEEC circulated an [on-the-day briefing for members](#) on 13 March summarising key points from the Chancellor's first Spring Statement.

h) Verbal update on closer working between SEEC and SESL

h.1 A brief verbal update will be provided at the meeting.

i) SEEC's February newsletter and Wider South East update

i.1 SEEC continues to circulate regular updates for members on SEEC's work. These included e-newsletters in [January](#) and [February](#) as well a [Wider South East Update](#) covering the 26 January Summit held with London Mayor Sadiq Khan.