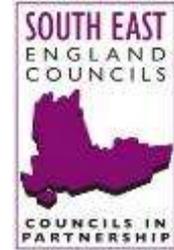


SOUTH EAST ENGLAND COUNCILS EXECUTIVE MEETING



Date: 28 September 2018

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

Report of: Heather Bolton, SEEC Director, and Nick Woolfenden, SEEC Head of Policy Co-ordination

Recommendations:

- i) Consider SEEC participation in London Plan EiP and discuss key points for inclusion in SEEC's forthcoming input to Government on Right to Buy consultation (section c.1 below)
- ii) Note updates on SEEC's other work and contact heatherbolton@secouncils.gov.uk with any queries or suggestions for future activity.

Recent SEEC activity to raise the profile of members' interests has included work on planning, housing, local government finance and making the case for greater infrastructure investment.

a) 'Smaller party' seats on SEEC Executive 2018-19

- a.1 The SEEC constitution restricts Executive seats to political parties with at least 5% of councillors in the South East. In the May 2018 elections, four 'smaller' political parties (Independents, Residents, UKIP and Greens) together won 9.25% of seats. If this was a single party, SEEC's political template would allocate one Executive seat.
- a.2 SEEC's AGM agreed to consult the four smaller parties on a proposal that an Independent/Residents' Association coalition should fill a seat on SEEC Executive on behalf of the combined smaller parties. The proposal is that Cllr Clive Woodbridge (Residents' Association, Epsom & Ewell) and Cllr Chris Townsend (Independent, Surrey CC) would share the seat, alternating attendance at meetings.
- a.3 SEEC secretariat wrote to leading UKIP and Green councillors setting out the Independent/Resident proposal, asking for any objections by 10 September. None were received, so Cllr Woodbridge and Cllr Townsend will alternate on SEEC Executive for 2018-19.

b) London Plan Examination in Public and Wider South East Political Liaison

- b.1 Following consultation on a draft London Plan earlier this year, the Plan's Examination in Public (EiP) is [expected](#) to run from 15 January until mid May 2019. A panel of inspectors will invite written submissions before then. Draft EiP 'matters' and invited participants have now been published, offering SEEC the opportunity to participate. SEEC expects to respond, emphasising key points from our [consultation response](#) and – subject to member agreement – will offer to take part in some EiP hearings. Technical seminars are expected in November 2018 to clarify details underpinning the Plan, such as housing need methodologies.
- b.2 GLA has published [minor suggested changes](#), clarifying certain points following consultation. There are no major changes to policies affecting the South East, but changes in supporting wording now specify that the Mayor will aim to meet the 'vast majority' rather than 'all' of London's housing need in his boundaries. There are no changes to the Mayor's invitation to work with 'willing partners for growth' outside London to help accommodate London's housing and economic growth needs for mutual benefits. MHCLG Secretary of State James Brokenshire has [written](#) to the Mayor, indicating that whilst the EiP can proceed under 'old' NPPF rules, an early review using the new NPPF will be expected to reflect the full extent of housing demand in London, particularly for affordable homes.
- b.3 SEEC will be represented at the next Wider South East Political Steering Group on 10 October 2018. Discussion will focus on the London Plan, next steps on infrastructure priorities/working with the Sub-national Transport Bodies, tackling housing barriers (including options for land value capture to help fund infrastructure), and preparation for the next Wider South East Summit on 11 January 2019.

c) SEEC input to Government

c.1 [Using Right to Buy Receipts](#)

Member views are invited on key points to include in SEEC's response to consultation on [Use of receipts from Right to Buy \(RtB\) sales](#). Discussion is encouraged today and any further points can be emailed to nickwoolfenden@secouncils.gov.uk by 2 October.

c.2 The RtB consultation and current social housing green paper indicate renewed Government interest in social housing. This reflects SEEC views on the importance of mixed tenures in the high-cost South East where buying is out of reach for many residents. Government proposals for some RtB flexibilities are a move in the right direction. SEEC has previously made the case for even greater freedoms to help councils sustain stocks of affordable homes and ensure councils' RtB receipts are adequate to deliver 1-for-1 replacements.

c.3 Views are invited on the following draft points to include in SEEC's consultation response:

- Government should allow councils to set RtB discounts - some SEEC members argue they kick in too soon and that the discounts are too high to fund replacement homes.
- Councils should be able to keep 100% of receipts to help them replace RtB sales with an equivalent number of properties. Rules should also allow a more flexible 5-year, rather than current 3-year, time limit for spending receipts. This is proposed for *existing* RtB receipts but should also apply to *future* receipts.
- Councils should be allowed *full* freedom to use RtB receipts to replace stock as appropriate locally – eg. not only building new homes but also for conversions or purchases.
- Government proposals giving councils a new ability to combine RtB receipts and affordable housing grant are welcome to help deliver a package of homes. Also welcome is the new ability to transfer RtB receipts into an Arms-Length Management Organisation as it will allow different models of delivery.

Specific local examples of problems caused by RtB restrictions would also be helpful, along with any suggestions on measures to address these problems.

c.4 **2019-20 Local Government Finance and Negative RSG**

SEEC has welcomed Government proposals to eliminate negative RSG, which would otherwise affect 56 South East authorities in 2019-20. A [consultation response](#) submitted jointly with SESL also:

- Welcomed the wider review of local government funding for 2020-21 onwards but stressed that councils need certainty quickly to plan for service implications of major change.
- Expressed disappointment about plans to raise the threshold for New Homes Bonus.
- Called for locally-accountable decisions on council tax rises instead of referenda, as proposed referendum limits will not bridge the funding shortfall in local services.
- Asked for greater flexibility on the £5 per property increase for districts with very low council tax levels. The current system prevents low tax base councils from increasing their income sufficiently to meet service demands.

c.5 **Pre-Budget Submission**

At time of writing the Autumn 2018 Budget date has not been announced. However Treasury issued guidance for pre-Budget representations on 7 September, setting a deadline of 28 September. Given the short timescale, a submission was drafted for approval by SEEC leadership. This made the case for the Budget to reflect major SEEC member concerns, including the need for:

- Greater infrastructure investment to support continued South East housing and economic growth.
- A fair funding solution for South East local authorities, including sustainable financing for social care.
- Greater flexibility for locally-elected councillors to be fully accountable for setting council tax and local fees and charges.

d) **South East roadshow for LGA Post-Brexit Commission**

d.1 SEEC is working with the LGA on a South East roadshow for **18 December 2018**. The event will feed into LGA's Post-Brexit Commission on the future of non-metropolitan councils in England.

d.2 Debate will cover the skills and infrastructure needed to underpin continued success in the South East economy and the opportunities that Brexit could present for devolving more to local authorities. The roadshow will be chaired by Cllr Gillian Brown OBE, Arun DC Leader and Vice Chair of the LGA People & Places Board. SEEC Chairman Cllr Roy Perry will also speak. The venue will be LGA, Smith Square with [early booking via the LGA website](#).

e) **SEEC Communications update**

e.1 SEEC's latest [MP briefing](#) focuses on ways to address South East skills and social care challenges. Drawing on the [skills analysis launched at SEEC's AGM](#), the briefing highlights requirements for a better supply of workforce skills in both hi-tech/ professional services and

in the care sector, where there is a need to support the South East's growing older population. The briefing makes the case for local authorities to have greater influence to direct skills funding to known gaps in the economy. It also asks MPs to support a Royal Commission on social care funding to identify a sustainable financial model for the future.

- e.2 Writing in *Municipal Journal*, SEEC Chairman Cllr Roy Perry advocates a [better balance of infrastructure investment funding for the South East](#). Published on 16 August, his article highlights the need for infrastructure investment in proven successful economies - such as the South East - to secure continued tax returns for the Treasury. Only investing in up-and-coming areas is a high risk strategy that would undermine high South East returns in favour of lower returns elsewhere, leaving Treasury with less to spend UK-wide. The article responds to new ONS data, which shows that South East tax returns subsidised public spending in the rest of the country by £14.8bn in 2015-16. This reinforces SEEC's own previously-commissioned research.
- e.3 Following member discussion at the AGM, SEEC has now published its full summer 2018 data dashboard. The [2-page summary](#) is openly available online but more detailed data on 5 key topics for member authorities can only be accessed by registering on the [password protected section of SEEC's website](#). Councillors and officers from member councils can register online for password access.
- f) Full programme of SEEC meeting dates 2019**
- f.1 Dates are now confirmed for SEEC All-Member and Executive meetings for 2019.
- Two All-Member meetings will be held: Thursday 31 January 2019 and the SEEC AGM on Thursday 27 June 2019.
 - Three Executive meetings will be held on Fridays in 2019 - on 29 March, 20 September, and 13 December. SEEC Executive dates are shared with SESL to help manage diaries for members who are members of both organisations.