

SOUTH EAST FIRST

The Newsletter of South East England Councils

September 2018

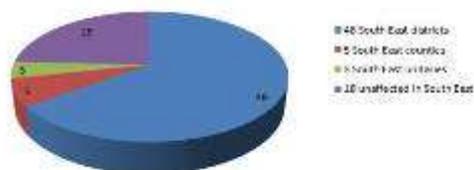


SEEC supports plans to eliminate negative RSG

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South East councils due to be affected by negative RSG in 2019-20



Autumn Budget: Investment in South East is key for UK plc

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Ensuring Right to Buy sales help deliver new homes for rent

SEEC's September Executive is set to discuss input to [consultation](#) on allowing councils greater flexibility in using receipts from Right to Buy (RtB) sales.

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SEEC invited to take part in London Plan Examination in Public

SEEC has been invited to take part in public hearings about the London Plan, which sets out how London will grow over the coming decades.

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News Roundup

South East Post-Brexit Roadshow

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. 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](#).

SEEC meetings set for 2019

SEEC has confirmed All-Member and Executive meeting dates for 2019. Two All-Member meetings will be held – the first on 31 January and then the SEEC AGM on 27 June 2019. In addition, three SEEC Executive meetings have been set for 29 March, 20 September and 13 December 2019.

SEEC Dates

[28 September 2018 – SEEC Executive](#)
[30 November 2018 – SEEC Executive](#)
11 January 2019 - Wider South East Summit
31 January 2019 - SEEC All-Member meeting

Contacts

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SEEC supports plans to eliminate negative RSG

SEEC has [strongly supported Government proposals to eliminate 'negative RSG'](#) in 2019-20. If it goes ahead negative RSG would reduce spending power for 75% of South East councils.

Negative RSG is an unintended consequence of changes to the complex local government funding system. If it proceeds it would mean that 56 South East authorities lose central grants but also have to pay some of their own income to Government.

SEEC members have welcomed proposals from MHCLG to eliminate negative RSG in 2019-20 by a one-off adjustment to the funding settlement. Major changes are expected to local government funding from 2020-21 so the Government has offered a short term solution to avoid significant cuts to South East authorities' funding next year.

SEEC joined forces with SESL in September to submit a joint response to MHCLG's Technical Consultation on the 2019-20 Local Government Finance Settlement. The response also covered:

- Council tax – making the case for councils to be locally accountable for council tax increases without the need for a referendum
- Wider local government funding reform – calling for greater transparency in central funding decisions and a fairer approach across the country. Variations in levels of central funding mean that South East council taxpayers fund 70% of council spending power, but in London council taxpayers fund only 45% of local authority spending.
- Disappointment about changes to New Homes Bonus (NHB) as Ministers plan to raise the threshold before NHB is paid, meaning that councils will receive less income.

Autumn Budget: Investment in South East is key for UK plc

As the Chancellor prepares for his Autumn 2018 Budget, SEEC is calling for greater infrastructure investment to support the continued success of the South East economy.

SEEC's Budget representation highlights the South East's role as a highly profitable economy that contributes more to UK plc and Treasury in taxes than the area receives in public spending. New data from ONS shows the South East's net contribution or 'profit' for the Treasury was £19.4bn in 2016-17. Only London contributed more. Most other areas received more than they paid in.

However, continued South East success needs greater infrastructure investment to overcome an infrastructure funding gap of £15.4bn by 2030. Transport is a major gap that needs investment to help businesses grow and become more productive. There is also a need to invest in health, education and utilities to ensure residents moving into new housing developments have access to all the facilities they need.

SEEC is also calling for a review of local government financing to find a fairer way to fund social care. Additional measures should be introduced to remove central restrictions so that councillors are fully accountable to their local electorates for setting council tax levels and local fees and charges.

Ensuring Right to Buy sales help deliver new homes for rent

SEEC's September Executive is set to discuss input to [consultation](#) on allowing councils greater flexibility in using receipts from Right to Buy (RtB) sales.

South East local authorities have welcomed the proposals but want to see further flexibility built into the system. As a high cost area, the South East needs a good supply of socially rented housing because many residents cannot afford to buy. To achieve this, SEEC is making the case for councils to be able to use a number of different routes to maintain the stock of socially rented homes.

Consultation closes in mid October and SEEC's response is expected to call for:

- Local authority discretion to set RtB discounts - some SEEC members argue the discounts kick in too soon and can be too high to fund replacement homes.
- The ability for councils to keep 100% of receipts to help them replace RtB sales with an equivalent number of properties.
- More flexible 5-year, rather than current 3-year, time limit for spending current and future receipts.
- The ability to use RtB receipts to replace stock in any way – for example by building new homes, or through buying or converting existing properties.

SEEC invited to take part in London Plan Examination in Public

SEEC has been invited to take part in public hearings about the London Plan, which sets out how London will grow over the coming decades.

A team of three planning inspectors will hold an [Examination in Public](#) in 2019, inviting interested parties to give their views on the draft London Plan. The EiP is expected to run from 15 January to mid-May 2019.

To prepare for the EiP SEEC has been asked to provide written submissions. SEEC expects to respond, emphasising key points from [our response](#) sent to the Mayor during consultation on the London Plan earlier in the year.

Key points from the SEEC response included:

- The need for greater clarity on London's capacity to meet its own housing need. For example, the size of any gap in housing provision and housing targets after the first 10 years of the plan.
 - A call for more information on London's offer to 'willing partners' and what assistance the Mayor may be able to provide to areas prepared to accept some of London's housing and economic growth.
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