

**SOUTH EAST ENGLAND COUNCILS
EXECUTIVE MEETING**



Date: 13 October 2017

Subject: **SEEC activity report and updates**

Report of: Heather Bolton, Nick Woolfenden & Ian Mackie

Recommendation:

Note the updates on SEEC work and provide input on any follow up actions required.

Recent work to represent SEEC member interests has covered transport, housing and infrastructure pressures, Brexit, and South East impacts of the London Plan & Mayor's Transport Strategy.

- a) Scheduled meeting with Transport Secretary Chris Grayling MP**
- a.1 SEEC members are due to join a small group of Wider South East (WSE) politicians meeting Transport Secretary Chris Grayling MP on 11 October. The meeting has been arranged to call for DfT support and funding to take forward a priority list of 13 strategic transport projects that will enhance economic potential in the South East, London and East of England. South East schemes on the list are drawn from SEEC's Missing Links report. The [WSE priority list](#) has been agreed by all three areas to help focus national investment priorities on strategic schemes that will support the UK's most profitable economies, deliver strong returns on investment and overcome existing transport congestion or overcrowding.
- b) SEEC Autumn Budget submission**
- b.1 The Chancellor is due to deliver his Budget on 22 November. In a pre-Budget [submission](#) SEEC highlights the South East economy's excellent returns to Treasury but argues this is threatened by transport congestion, unaffordable housing and pressured services. The submission calls for policy changes that will help South East councils, including:
- Economy, infrastructure and funding**
- A fair and balanced share of infrastructure investment for the South East, including funding for five [Missing Links](#) transport improvements to tackle congestion that holds back the economy.
 - Access to more income from locally-generated taxes such as business rates, council tax and stamp duty to help councils fund local infrastructure and meet growing service demands.
 - Greater council input on skills to help prevent shortages post-Brexit.
- Housing delivery deficit**
- New powers for councils to tackle unimplemented planning approvals: eg discretion to levy charges after an agreed period and/ or reduce the time that permissions remain valid.
 - More help for councils to build affordable homes: eg powers to charge developer contributions on **all** sites, relaxing Housing Revenue Account borrowing, reviewing Right to Buy and active encouragement for council-led or joint venture housing companies.
- Service pressures, including social care**
- A review of care funding pressures and sources of national funding for councils' statutory duties is needed to ensure services are sustainable for the future.
 - Full cost recovery for councils accepting Unaccompanied Asylum Seeking Children (UASC) to ensure central funding covers the cost of UASC in care and once they become care leavers.
- c) London Plan consultation, early input & Wider South East Political Steering Group**
- c1. At the end of this year South East authorities will be consulted on the new London Plan. On 26 January 2018 SEEC will co-host a summit, giving the opportunity to talk directly to the Mayor's office during consultation.
- c2. In July SEEC representatives on the Wider South East (WSE) Political Steering Group had a unique opportunity to help shape the Mayor's early thinking during drafting of WSE policies for the new Plan. They welcomed the opportunity but highlighted concerns in several areas. Key issues, also set out in a [follow-up letter](#) to Deputy Mayor Jules Pipe, included:
- Need for earliest possible indication of the size of any gap between the homes London needs and what it can deliver. The Mayor should look at all options to meet housing need within London, including considering Green Belt release – as South East councils are already doing.
 - On the Mayor's indication that he wants to work with councils outside London to help accommodate any unmet London housing need, SEEC members stressed existing South East growth pressures and constraints. A focus on seeking 'willing partners' that may want to

consider a deal for accommodating London's overspill housing is more appropriate than assuming extra homes can be accommodated in growth corridors outside London.

- The Mayor should set out the types of homes he might need built beyond his boundary and how he could support them via infrastructure investment and relocation of jobs out of London. South East councils will need to clearly understand the 'offer' before they can properly consider if there could be local economic benefits from accepting London overspill housing.

d) SEEC response to London Mayor's draft Transport Strategy

d.1 [SEEC's response](#) to consultation on the Mayor's Transport Strategy (MTS) stresses the importance of transport links between London and the South East. However, the South East is not simply a commuter belt; it has a strong economy in its own right. Key points include:

- SEEC welcomes inclusion in the MTS of [13 agreed Wider South East strategic transport priorities](#) but stresses they are to support **existing** economic and growth plans. They are not growth corridors for any unmet London housing needs and the MTS needs to clarify this.
- If TfL takes over management of some rail routes in the South East, it will be important that services offer equal benefits for the economy and travellers in both the South East and London. South East local government political representation on the TfL Board will be required to provide accountability to travellers outside London.
- The MTS should emphasise that better links to Heathrow – including western and southern rail access – are vital to meet existing needs, regardless of any plans for airport expansion.

e) Brexit: input to DExEU on border controls and customs

e.1 SEEC and the South East Strategic Partnership for Migration (SESPM) [wrote](#) to Secretary of State for Exiting the European Union David Davis MP, and Immigration Minister Brandon Lewis MP, urging them to prioritise border control decisions in advance of Brexit. The letter set out members' concerns including:

- Clarity is needed on how to fund any additional burdens on local authorities from changes to free trade agreements – such as the requirement to inspect more foodstuffs at ports.
- Border controls should remain in France for vehicles and passengers inbound to the UK via the Port of Dover or Channel Tunnel.
- Options should be explored for a pre-registration system for trusted freight companies. This would allow entry to the UK with minimal processing, reducing congestion at ports of entry.
- A fully tested, upgraded E-borders system is needed before Brexit.

f) Brexit: SEEC's planned response to consultation on skills requirements

f.1 SEEC and SESPM will respond this month to Migration Advisory Committee consultation on skills for a post-Brexit economy. Key points for inclusion include:

- Local authorities should have direct input into which skills are given precedence in any new system to prioritise which migrants are allowed into the UK to work. This should include a mix of higher and lower skills to fill jobs ranging from engineers to care workers.
- Councils should have greater control of skills funding to target investment to fill local gaps and could deliver better careers advice, catering for all ages from school pupils to adults.

g) Infrastructure & the economy: SEEC briefing for South East MPs

g.1 [SEEC has written](#) to South East MPs making the case for greater infrastructure investment after new data produced for SEEC showed that, over the past three years, the South East's net contribution to Treasury has fallen behind London's.

g.2 The data from independent experts Oxford Economics showed London contributed £21.6bn more than the South East between 2013-2016. This is a reversal of the long-term trend and means the South East economy is punching below its potential in contributing to the Treasury's ability to fund infrastructure and public services UK-wide. The letter argues that the changing fortunes are related to different levels of public spending, with the South East receiving £2,294 less per person than London.

h) SEEC article in LGC on Local Housing Allowance rates

h.1 [Writing in Local Government Chronicle](#) in July, SEEC Chairman Cllr Nicolas Heslop argues that councils in high cost areas of the South East should be able to increase Local Housing Allowance (LHA) rates to reduce homelessness. Homelessness is rising due to a freeze on LHA, high and rising rents, and a shortage of affordable properties. Those on low incomes often struggle to bridge the gap between LHA and market rents, so targeted LHA increases could prevent homelessness. Government could also help councils deliver more affordable housing by relaxing HRA borrowing and encouraging building through local housing companies or joint ventures.