

**SOUTH EAST ENGLAND COUNCILS  
EXECUTIVE MEETING**



Date: 24 March 2017

Subject: **SEEC activity report and updates**

Report of: Heather Bolton, Nick Woolfenden, Emma Sutton & Ian Mackie

**Recommendations:**

Members are asked to note the updates on SEEC work and provide input on any follow up actions required.

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Current work to represent SEEC member interests focuses on infrastructure investment needs, overcoming barriers to housing delivery and South East impacts of the new London Plan.

- a) Infrastructure funding proposals: Potential for a post-Budget letter to David Gauke, Chief Secretary to the Treasury**
- a.1 Work is in hand to explore potential for a joint SEEC-SESL letter to David Gauke MP, Chief Secretary to the Treasury, setting out additional options for funding South East infrastructure needs. The Budget included a national competitive transport pot of £690m and £53m for the South East from local pinch point funding. These amounts supplement measures such as the previously-announced £2.3bn housing infrastructure fund. The funding is welcome but SEEC members remain concerned that it will not address the infrastructure funding gap of £15.4bn that faces the South East by 2030.
- a.2 A letter would build on previous member discussions and SEEC input to [Housing Minister Gavin Barwell](#) calling for South East councils to retain a greater portion of locally-raised income (eg business rates and stamp duty) to help fund more local infrastructure investment.
- b) Input to National Infrastructure Commission (NIC) call for evidence**
- b.1 SEEC and SESL submitted joint evidence to the NIC's National Infrastructure Assessment in February, focused on addressing the major transport and infrastructure needs of the South East for the economic benefit of the whole UK. Our [submission](#) argues that the South East's twin roles of national economic gateway and net funder of national public spending are both at risk if investment deficits are not addressed. It emphasised:
- The £15.4bn infrastructure investment funding gap in the South East over the next 15 years – which will restrict economic growth, impact on the viability of new home-building and risk harming public services if not addressed.
  - How reallocating existing public funding and providing councils with financial freedoms and flexibilities could help address this growing infrastructure gap.
  - Infrastructure is critical to unlocking development sites for housing and economic growth, but lack of funding hinders this across the South East. Councils know where major infrastructure is needed to support and unlock development but currently lack the funding to take forward projects on the scale required to meet national needs.
  - A number of critical strategic transport routes in the South East, highlighted in the SEEC-SESL Missing Links report, which would unlock significant economic and housing potential.
  - Improvements to broadband speeds, access and delivery are needed to boost productivity across many industries, opening up more markets in the South East.
- c) Transport Select Committee follow up to meeting: Response to Airports National Policy Statement Inquiry**
- c1. A Transport Select Committee Inquiry into Government's Draft Airports National Policy Statement calls for evidence on several issues SEEC suggested to the Committee. It follows a meeting between SEEC members and Committee Chairman Louise Ellman MP in late 2016 and a written submission proposing topics for the Committee to consider.
- c2. SEEC is working with SESL to prepare a formal response to meet the Inquiry deadline of 24 March. The response will cover key points including:
- The need for significant improvements in public transport as well as better road access to Heathrow to reduce the impact of congestion for South East residents, businesses & the environment.
  - Transport improvements around Heathrow need to be part of a much wider, nationally-funded, strategic package to ensure that:

- Investment also improves transport to other airports and global economic gateways, such as ports. In the South East these include Gatwick, Southampton, Dover and Portsmouth.
- Investment provides routes for non-airport traffic to bypass Heathrow, thereby helping to reduce congestion in the vicinity of the airport.
- Heathrow expansion is fully integrated with the Government's wider transport strategy.
- Congestion resulting from an expanded Heathrow does not damage the South East's economic success, which contributes the UK's highest return on public investment with a net profit of £80bn between 2002-12.

**d) Housing delivery workshop on 27 January and launch of SEEC report 'Unlock the Housing Blockers'**

- d.1 SEEC's January All-Member Meeting was held to coincide with a joint SEEC/LGA [workshop on housing and associated infrastructure](#). Over 90 councillors and senior officers attended to learn from a range of successful approaches to delivering housing and funding infrastructure. Round table discussions were used to help inform future SEEC and LGA work on the policy changes needed from Government to help councils deliver.
- d.2 SEEC Chairman, Cllr Nicolas Heslop summarised three key South East challenges:
- The need to increase delivery of affordable and market housing in all tenures
  - That councils' local growth plans are not being matched by developers' delivery
  - That housing cannot be seen in isolation without considering the infrastructure to support it – but current funding is inadequate to deliver the transport, schools, health, utilities and affordable homes needed to support the South East's growth.
- d.3 Cllr Heslop presented SEEC's new report '[Unlock the housing blockers](#)' explaining how its seven recommendations to Government could tackle barriers to housing delivery. For example, allowing councils to charge for unused planning permissions would help incentivise developers to build and permitting greater retention of locally-based taxes, such as business rates/stamp duty, would provide more funding to invest in infrastructure.
- d.4 Other workshop speakers included LGA President, Lord Kerslake and Economic Adviser to DCLG on Housing Supply, Tim Leunig. Councillors and officers from the South East and beyond presented good practice case studies on funding infrastructure and delivering housing growth through locally-led companies and partnerships.

**e) Wider South East Political Steering Group, March 2017**

- e.1 The Political Steering Group for the Wider South East (WSE) next meets on 31 March 2017. This follows a successful [WSE Summit](#) attended by over 100 councillors/officers in December and a meeting between six WSE politicians and Housing Minister Gavin Barwell MP in January. Given the opportunity to make last minute suggestions for the Housing White Paper, a [WSE letter to the Minister](#) called for a review of developer contributions – linking this to speed of development – and more timely infrastructure investment by utility companies. The White Paper has since confirmed Government proposals to review S106 and CIL, to monitor developers' delivery and encourage utility companies to invest in advance of housing growth.
- e.2 Topics for Political Steering Group discussion in March include:
- The potential to build on January's letter to Gavin Barwell as the basis for a collective response to the Housing White Paper.
  - How to take forward joint influencing work on priority strategic transport investment needs, including projects from SEEC's Missing Links report.
- The steering group comprises five members each from SEEC, East of England LGA and London. SEEC's representatives are Cllr Nicolas Heslop, Cllr Paul Bettison, Cllr Peter Martin, Cllr Tony Page and Cllr Carole Paternoster.

**f) SEEC budget 2017-18 and projected outcome for 2016-17**

- f.1 A SEEC budget of £293,777 for 2017-18 was agreed at December's Executive. For 2016-17 the budget is £290,000, including an expected draw on reserves of £95,200. SEEC's accountant will prepare final accounts after 31 March and these will be presented to the June AGM. However, current projections indicate that savings, additional income and contributions in kind will reduce the call on SEEC reserves to £65,000-£70,000 this year.

**g) SEEC member briefing on Spring Budget 2017**

- g.1 An on-the-day [Budget summary](#) was circulated to all SEEC members on 8 March.