

**SOUTH EAST ENGLAND COUNCILS
ANNUAL GENERAL MEETING & ALL-MEMBER MEETING**

Date: 3 July 2014

Subject: **South East England Councils: Review of the Year 2013-14**

Report of: Cllr Gordon Keymer CBE, SEEC Chairman



Recommendation:

Members are asked to note SEEC's activities and achievements over the past year.

1. Background

- 1.1 Since 2009 SEEC has established a key role in representing the interests of all tiers of democratically-elected South East councillors. Operating with a very small staff team, limited budget and minimal bureaucracy, SEEC brings together local authority leaders to make sure South East views are heard by policy makers.
- 1.2 In line with SEEC objectives, there is a focus on arguing for a fair funding deal for the South East and promoting the area's position as a leading global economy. Also important is maintaining a strong evidence base to underpin this work.
- 1.3 The SEEC business plan for 2013-14 focused on three main areas:
 - Infrastructure: investment, transport, funding & powers for growth
 - Health & wellbeing
 - Data and policy work to support the South East.

2. SEEC achievements 2013-14

Major achievements during the year are highlighted below by business plan topic.

2.1 Infrastructure investment, transport, funding & powers for growth

- 2.1.1 Infrastructure has been high on the agenda in the past year, with SEEC helping members to make the case for more devolved local funding and greater national investment to support projects that will deliver economic growth.
- 2.1.2 SEEC raised the profile of member needs on transport, housing, flooding, broadband and economic growth with key opinion formers, including:
 - **Brandon Lewis**, CLG Minister, at the launch of SEEC's work with think tank Localis on overcoming barriers to growth
 - **Dan Rogerson**, Defra Minister, who met members to discuss the impact of flooding in the South East, repairs and future investment plans
 - **Professor Tony Travers**, the local government finance expert, who outlined how greater local tax retention by councils could help fund more growth
 - **Sir Michael Pitt**, Chief Executive of the Planning Inspectorate, who debated housing, planning and green belt concerns with members
 - **Baroness Hanham**, former CLG Minister, who discussed growth, councils' role in LEPs and EU funding prospects.
- 2.1.3 **Barriers to growth:** In October 2013 SEEC and think tank Localis launched a joint report *Clearing the Hurdles*, highlighting 9 actions needed to overcome barriers to South East economic growth. CLG Minister Brandon Lewis attended the launch to join the debate on how more devolved funding and powers would free councils to support growth, through:
 - Proportionate funding that recognises the South East's national economic value and high returns on investment
 - City-deal-type devolution powers for all South East authorities and increasing the Local Growth Fund
 - Allowing councils to retain business rates and borrow to fund growth

- Powers to help councils turn planning approvals into development
- Investing in South East strategic transport projects that offer national benefits
- Local control of skills budgets and removing barriers to high speed broadband.

2.1.4 The SEEC-Localis work widened the debate on growth outside cities. In November SEEC Deputy Chairman Cllr David Hodge spoke at the LGA's South East roadshow, explaining what the South East can offer in return for devolved powers. Other organisations have followed up our work with reports and reviews on similar themes. The County All Party Parliamentary Group published a report in June on how to help counties deliver more growth and in May the LGA set up a commission on how to deliver growth in non metropolitan England. SEEC's response to the LGA commission reinforced our call for greater devolution of funding and powers to councils, also building on the growing case for English local authorities to be treated in the same way as Scotland and Wales.

2.1.5 Greater local control of funding is a key factor in overcoming barriers to growth and this was reflected in all SEEC's work during the year. Members valued input from local government finance expert Tony Travers in February, who argued that South East control of property taxes would lead to better spending decisions and help fund infrastructure and service delivery.

2.1.6 **Transport:** The South East's transport deficit was set out in *Mind the Gap* – a report to Ministers in June 2014 showing how investment in a genuinely strategic 10-point programme of cross-boundary projects in the South East would boost the national economy. Key areas for investment are South East international ports and airports given their important national economic role. Jointly produced by SEEC, SESL and South East Directors of Environment, Economy, Planning and Transport, the report calls for:

- An increase in national funding for strategic transport, including a balanced share for South East high return projects that will deliver national economic growth
- Greater devolution of taxes to councils so that they can contribute to the cost of taking transport schemes forward
- A task group drawn from councils, Highways Agency and Network Rail to co-ordinate investments for maximum economic benefits.

2.1.7 Other key transport initiatives delivered during the year include:

- Building on *Mind the Gap*, transport was the South East's first contribution to London's Infrastructure 2050 project to scope out needs for the next 30+ years. Our input identifies strategic schemes that offer mutual benefits to London and the South East to reduce congestion and delays on road and rail. London Deputy Mayor Isabel Deding welcomed the South East's input and we aim to work together to influence investment in key projects.
- A member debate on aviation led to agreement on a joint SEEC and SESL submission to the Airports Commission. Recognising that the South East is the favoured location for aviation expansion, members stressed that infrastructure investment is needed before a new runway to avoid adding to congestion, noise and environmental pressures. This work has created the opportunity for SEEC to continue to make its case through input to a series of national conferences, including two speakers at a major event on land-use implications in June 2014.

2.1.8 **Housing:** SEEC successfully argued against Government proposals to allocate part of councils' New Homes Bonus funding to LEPs. The money remains with local authorities. Other relevant influencing work this year includes:

- In a response to the updated London Plan, members called for London to be clearer that it will meet its own housing need without relying on overspill in the South East and to recognise this may require London green belt reviews. High profile South East MPs have backed us, reinforcing the call to the Mayor to meet London's needs within the capital. We are provisionally listed to take part in the London Plan's public examination to make these points to the Planning Inspector.

- Members agreed to explore joint work with London to help ensure planning applications turn into development and help the construction industry increase building capacity.
- SEEC continued to make the case for greater local decision-making in planning. This included opposing Government proposals for centralised thresholds to exempt some developments from section 106 planning contributions. SEEC argued this should be a local decision, with councils able to decide when contributions are needed for affordable housing or other vital local infrastructure.
- Members provided input to an Independent Review into the local authority role in housing supply. As well as highlighting South East good practice, our submission called for action in 11 areas to overcome barriers to housing delivery. These include financial changes to allow councils to retain more funding to invest in new housing and powers to encourage developers to build homes once they have planning approval. The review will report to CLG and Treasury later in 2014.
- A debate with Planning Inspectorate Chief Executive Sir Michael Pitt to discuss the planning challenges facing local authorities including duty to co-operate, green belt reviews and land banking by developers.

2.1.9 Wider infrastructure: After severe flooding in winter 2013-14 we brought members together to make a collective call for effective responses from Government and water companies. Members met Defra Minister Dan Rogerson in April to set out their needs and a summary leaflet to South East MPs gained support for 5 requests to Government to:

- Honour the 'money is no object' promise on urgent repairs
- Fix the funding formula to invest for the future and give greater weight to economic loss and groundwater flooding
- Ensure Treasury backing for major cross-boundary flood protection schemes
- Ensure water companies work actively with councils to respond to crises
- Help create more flood resilient communities.

2.1.10 SEEC also created opportunities for members to influence and question utility companies. Southern Water attended SEEC's November Executive and a joint SEEC-SESL meeting with BT discussed how to achieve 100% broadband coverage. As part of the UK Power Networks' stakeholder panel SEEC has stressed the importance of swift responses to power cuts and helped influence closer working with council emergency services teams.

2.1.11 European funding and policy: SEEC successfully pressed for 2014-20 EU funds to be available in the South East, overcoming fears that the South East would be excluded from future structural funds. Current allocations remain provisional but indicate a small increase in funding available for the South East. During the year SEEC:

- Provided members with a detailed review of emerging LEP-led EU funding priorities for the 2014-20 period. Our report highlighted opportunities for councillors to access or influence funding for local projects.
- Continued to play a role in ensuring remaining funds from the 2007-13 EU funding round are used efficiently and accountably to meet local priorities. This work is conducted through SEEC's membership of the Government's South East European Regional Development Fund 2007-13 management and project selection committees.
- SEEC's Chairman also headed work to minimise the impact of EU red tape and bureaucracy on local authorities through his leadership role on Europe's Committee of the Regions (CoR). In an unusual mid-term move in 2013, a new CoR political group was formed – the European Conservatives and Reformists (ECR). SEEC Chairman Cllr Gordon Keymer CBE was elected ECR President. This is in addition to his role as Leader of the UK Delegation to the CoR, only the second time these national and party leadership roles have been combined.

2.2 Health & wellbeing

2.2.1 A SEEC-SESL workshop in December 2013 helped member councils address the challenge of integrating health and care services. Department of Health Minister Earl

Howe called on local authorities to take the lead in integrating services with 24/7 coverage. The event shared good practice across the South East and called for changes that would help integration, such as:

- Switching more funding to prevention and public health
- Updating incentives to measure health and prevention of illness, not just sickness
- Joined up budgeting, information sharing and regulation.

2.2.2 SEEC also worked with SESL to respond to Government proposals on services for older people and children and highlighted concerns about out of area placements:

- On children's services, members stressed the importance of retaining local democratic control to provide a strategic overview and to drive improvement and innovation. We welcomed greater local flexibility on how best to deliver services but opposed enforced central solutions in cases where problems are identified.
- For older people's care, members highlighted the stark resource implications of the care cap for South East councils. With our large and growing ageing population and high numbers of self-funders, the South East will need significant funding to deliver Government reforms. Adequate resources will also be needed for more assessments. We continue work to try to quantify the scale of costs for the South East.
- Members raised concerns about out-of-area placements made by London local authorities. They met London Councils to highlight the need for consultation and information when London boroughs decide to place homeless households in the South East. London Councils have now issued guidance to all London boroughs setting out good practice to follow when placing people outside their home borough.

2.3 Data, policy work and topical projects

2.3.1 SEEC's data work continues to provide a solid evidence base to underpin arguments on the South East's value to the national economy and the high returns available from investing in South East infrastructure. For example, latest figures show GVA in the South East from 2007-2012 outstripped the combined GVA from all 8 English Core cities. This has formed an important part of our case in arguing for greater funding and powers for the South East. SEEC also produced two data dashboards during the year. Regularly circulated to MPs, the dashboard has drawn praise from Ministers including Nick Boles at CLG and Michael Fallon at BIS.

2.3.2 SEEC members built constructive relationships with London, establishing regular meetings with London Deputy Mayors and London Councils. This has given the opportunity to address shared interests and concerns, resulting in joint working on infrastructure and out of area placements. There is potential to develop joint work on funding devolution and infrastructure investment.

2.3.3 In response to member interests on **topical policy issues**, SEEC also focused on:

- General election 2015 – A steering group of SEEC and SESL members developed a manifesto setting out the South East offer to Government and what it needs in return to be able to deliver strong economic growth and better local services.
- Gypsies and travellers – a small group of SEEC members met CLG Minister Brandon Lewis in April to make the case for more powers to deal with short term and long term illegal Gypsy and Traveller encampments. The Minister confirmed CLG are considering improvements to planning guidance in this respect and changes to the planning definition of 'travellers' to cover only those people who actually travel.
- Dustbins – correspondence with CLG Ministers clarified that decisions on frequency of bin collections remain a matter for local discretion, despite new CLG guidance.

2.3.4 **Business as usual:** SEEC maintained a full programme of member meetings and updates during the year, including:

- SEEC continues to host the **South East Strategic Partnership for Migration**, ensuring regular updates for members on migration data, trends and key issues. This work is fully funded by a grant from the Home Office. This year SEEC members also received invitations to two free workshops offering help on how to identify human

trafficking. Some member authorities also agreed to accept resettled Afghans who had previously worked for UK forces in Afghanistan.

- **Member-led meetings and events** this year included 2 All-member meetings, 3 Executive Committees, a workshop on integrating health and care, an aviation debate and meetings with Defra on flooding and with BT on broadband. Speakers included 4 Government ministers.
- **Updates & briefings** were provided via newsletters, SEEC's website and briefings on issues such as the 2013 spending review, 2013 Budget statement, 2014 Queen's Speech and 2014 local elections. All SEEC papers and Government responses are published online, ensuring work is transparent and accountable.
- **Nominations** via SEEC ensured a South East local authority voice on external bodies during the year, including Europe's Committee of the Regions, the LGA Executive Committee, ERDF Local Management Committee, South East Strategic Partnership for Migration and South Central Ambulance Service Foundation Trust.

2.3.5 Joint working between SEEC and SESL was maintained during the year. A number of significant projects were delivered jointly, helping establish a single, united voice for South East views.

2.4 SEEC secretariat & resources

2.4.1 SEEC employs a secretariat of 2, plus 1 admin post shared with SESL. Surrey CC hosts the SEEC team, providing office accommodation and payroll services. Co-ordination of SEEC and SESL meeting dates and sharing of admin costs has helped reduce expenditure and manage members' diary commitments.

2.4.2 Net income from subscriptions raised £180,000 in 2013-14. SEEC delivered a budget underspend in 2013-14, spending £247,000. As agreed with members, SEEC drew on reserves to bridge the gap between income and expenditure. (See agenda item 11 for detailed accounts). Financial management is handled in house with assistance from an external accountant.

