

Report to: **Cabinet**
Date: **8 March 2016**
By: **Chief Executive**
Title of report: **South East Seven (SE7)**
Purpose of report: **To provide an update on the progress of the SE7 partnership**

Cabinet is recommended to note the progress of the SE7 partnership

1. Position Statement

- 1.1 The last SE7 Leaders' Board meeting of Leaders and Chief Executives took place on 18 January 2016 and the notes of the meeting are attached as Appendix 1. The meeting had a specific focus on challenges the SE7 Councils face as a result of reduced Government funding and resources, particularly the implications of the Comprehensive Spending Review on SE7 Authorities and how the SE7 partnership can work together to raise concerns with Central Government.
- 1.2 The Board considered a paper providing an update on the implications of the Comprehensive Spending Review on SE7 partners. Members discussed a number of problems they are facing as a result of the Local Government Settlement, and it was agreed that a letter would be written and sent to the Prime Minister (copied to the Chancellor of the Exchequer and the Secretary of State for Communities and Local Government) outlining the SE7's concerns for the scale of reductions and the degree of impact they will have on the quality of life for many people in the area. The letter calls on Government to:
- Ensure it fully understands and recognises the impact of the financial constraints on residents.
 - Provide transitional funding for the hardest hit Authorities.
 - Revisit the grant distribution for future years on the basis of needs so it more fairly recognises the real pressure on social care authorities.
 - Work in close partnership with Councils on the future arrangements:
 - for National Non-Domestic Rates;
 - on the flexibilities and freedoms Councils should have to manage their income sources; and
 - on an evidence base as changes to policy and resourcing in areas such as schools and apprentices are developed.

The letter was sent on 20 January 2016.

- 1.3 The Board also received a presentation from Brighton & Hove City Council on the Cooperative Councils model that the Council is exploring to develop resilient communities and businesses affected by public service budget reduction. The presentation was followed by a discussion on the opportunities and challenges faced by SE7 partners in supporting and building community and individual resilience.
- 1.4 Each Council provided an update on the progress of their respective devolution discussions with Government. The three active devolution proposals across the SE7 are developing well and have received a positive response. Representatives of both the Three Southern Counties (3SC – East and West Sussex and Surrey) and the Greater

Brighton Economic Board devolution proposals provided details of their Ministerial meetings which took place in January 2016 – the detail of both sets of proposals were shared with Baroness Williams, Parliamentary Under Secretary of State for Communities and Local Government, at separate meetings and each received recognition for the amount of work involved to date and were encouraged to enter into the next stage of more detailed discussions with partners and stakeholders. Detail of the more advanced Hampshire and Isle of Wight devolution bid's discussion with Government and local MPs was also provided. It was also confirmed that discussions are taking place across Kent and Medway to understand what opportunities exist for devolution within the area.

- 1.5 Medway Council reported on the success of their collaboration with the Behavioural Insights Team on the Council Tax collection pilot project. As a result of the project, Medway Council has amended its Council Tax collection reminder letters (normalising Council Tax collection in the first reminder letter and using a diagram highlighting individual Council Tax payees' position in the cash flow in the system in the second reminder letter), which have resulted in increased collection rates of 11% and 7% (equating to £2.8m and £1.8m) respectively for each of the letters. The findings of the pilot will be shared across the SE7 (including, where applicable, Borough and District Councils). Surrey County Council has had similar success with the Care Debt pilot and will also circulate the findings.

2. Next Steps

- 2.1 It was agreed the next meeting of the Chief Executives' Board will consider the following items in advance of being discussed at the Leaders' Board meeting in May 2016:
 - The Government's review and consultation into needs; and
 - The Government's National Non-Domestic Rates proposals and how they will impact the SE7.

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SOUTH EAST SEVEN (SE7) MEETING Monday 18 January 2016

Attendance

Members

- Cllr. Warren Morgan, Leader, Brighton & Hove City Council
- Cllr. Keith Glazier, Leader, East Sussex County Council (Chairman)
- Cllr. Roy Perry, Leader, Hampshire County Council (Vice-Chairman)
- Cllr. Alan Jarrett, Leader, Medway Council
- Cllr. David Hodge, Leader, Surrey County Council
- Cllr. Louise Goldsmith, Leader, West Sussex County Council

Officers

- Geoff Raw, Chief Executive, Brighton & Hove City Council
- Becky Shaw, Chief Executive, East Sussex County Council
- John Coughlan, Chief Executive, Hampshire County Council
- Neil Davies, Chief Executive, Medway Council
- David McNulty, Chief Executive, Surrey County Council
- Gill Steward, Chief Operating Officer, West Sussex County Council
- Lee Banner, Policy Officer, East Sussex County Council
- Beth McGhee, Policy Development Intern, East Sussex County Council

Apologies

- Cllr. Paul Carter CBE, Leader, Kent County Council
- David Cockburn, Corporate Director of Strategic and Corporate Services, Kent County Council

1.	Introduction, welcome and minutes of last meeting
1.1	Cllr. Glazier welcomed everybody to the meeting and everyone introduced themselves.
1.2	The Board AGREED the minutes of the last meeting of 15 September 2015.

2.	Resilient Communities
2.1	<p>Geoff and Cllr. Morgan gave a presentation on the Cooperative Councils model and how Brighton & Hove City Council (B&HCC) is looking at this model to develop its service planning and work in neighbourhoods to develop resilient communities and businesses affected by public service budget reductions, the detail included:</p> <ul style="list-style-type: none"> • How the Cooperative Councils model enables authorities to go above and beyond “doing more with less” by engaging local businesses, the voluntary and community sector and residents to understand what opportunities exist for them to take on greater roles in their communities. • Co-production is a key theme as citizens are encouraged to engage in the commissioning and delivery of services. • B&HCC is also working with ward Councillors to help them understand, where applicable, how they can become brokers and leaders in their communities. • The key principles of the Cooperative Councils model are: social partnership, democratic engagement, co-production, enterprise and social economy, maximising social value, community leadership and a new role for Councillors, new models of meeting priority needs, innovation and learning. • The steps taken by B&HCC to implement the Cooperative Councils model, include: <ul style="list-style-type: none"> ○ Setting up a Fairness Commission (involving a panel of external experts) to consider how B&HCC should address inequality in the area; ○ Exploring the savings that could be made by adopting neighbourhood working through, for instance, establishing local action teams or through merging the role of enforcement officers; ○ Encouraging volunteering, and re-designing services to create volunteering opportunities; ○ Using digital infrastructure to effectively link up communities (of interest and geography); ○ Establishing a City Innovation Challenge Scheme to foster community engagement in public service delivery. Residents, businesses, schools, B&HCC staff and the voluntary sector have been invited to propose ideas of how to reform public services and cash prizes (from sponsors) will be given to the winning ideas.
2.2	A discussion of the experience of other SE7 partners in building community and individual resilience and the opportunities and challenges for Local Government in implementing the spirit of cooperative Council models took place following the presentation. The Leaders' Board thanked Cllr. Morgan and Geoff on their insightful and thought provoking presentation.
3.	Comprehensive Spending Review Update
3.1	Becky introduced the item and thanked Chief Finance Officers from across the

	SE7 for compiling the Comprehensive Spending Review Update paper.
3.2	<p>The paper formed the basis of a discussion on how each Council has been affected by the Corporate Spending Review, and to consider how the SE7 could work together to raise their concerns with Central Government. Members discussed a number of problems they are facing as a result of the Local Government Settlement, announced before Christmas, including:</p> <ul style="list-style-type: none"> • There was agreement that the Adult Social Care precept does not sufficiently enable South Eastern authorities to meet their Adult Social Care demand, and that to solve this the precept should be proportional to demographic needs and not assumed in authorities' core spending powers. It was also identified that Councils have effectively been instructed to raise their Council Tax, which runs contrary to localism and devolution. • Children's services are under as much strain as Adult Social Care. • Authorities have found that local MPs and media consider the Local Government Settlement to be fairly generous, and thereby do not recognise the extent of the problem that Local Government is facing or the significant impact that such reduced funding will have. • Cuts are spread disproportionately throughout the country, for instance, Manchester faces a 15% reduction in government spending power, whereas Surrey faces a reduction of 40%. • It was recognised that Government's suggestion to use reserves to bridge the funding gap is unsustainable. The suggestion to use capital for revenue also poses problems if local authorities are to maintain infrastructure and grow their economies. • In addition to cuts to the Revenue Support Grant (RSG), all authorities agreed that implementing the National Living Wage will place an economic burden on authorities. • Authorities are just as, if not more, concerned about future years due to the profile of RSG reductions. <p>Members also voiced dissatisfaction with the way the Local Government Settlement had been set this year and communicated to authorities; all authorities were surprised by the settlement, despite doing everything Central Government had asked ahead of the settlement. Members agreed they did not want to face a similar situation with Business Rates Retention proposals.</p>
3.3	<p>It was decided that a letter would be written and sent to the Prime Minister (and copied to the Chancellor of the Exchequer and the Secretary of State for Communities and Local Government), outlining that the SE7 recognises the scale of the problem the Department for Communities and Local Government and the Treasury face, but suggests that some form of transitional relief or dampening is necessary. It was AGREED that it would be beneficial for all SE7 authorities to lobby with District and Boroughs, but due to time constraints, it would not be possible to do so in this letter.</p>

	<p>Following a discussion around the best timing for sending a letter, it was AGREED that Becky Shaw would draft the letter to go to Government as soon as possible, signed by all Leaders. It was AGREED that a press release would be released subsequently if the situation continued.</p>
4.	Devolution Activity Update
4.1	<p>Authorities provided an update on their devolution plans.</p> <p>Cllr. Goldsmith fed back that the 3SC bid team had received a positive reception in their Ministerial challenge meeting, and that Government were keen for 3SC to start on delivery as soon as possible.</p> <p>Cllr. Morgan fed back that the Greater Brighton Economic Board had received a similar reception in their challenge meeting, and that they had discussed the need to work with 3SC on certain areas of their deal, particularly transport.</p> <p>Cllr. Perry fed back that Government is particularly interested in the housing numbers the Hampshire and Isle of Wight deal would provide, and discussion had taken place on the suitability of an elected Mayor.</p> <p>Cllr. Jarrett fed back that devolution discussions are taking place across Kent and Medway and a range of options are being explored.</p>
5.	Update on SE7 collaboration with the Business Insights Team (BIT)
5.1	<p>Neil Davies reported that the changes Medway have made to their Council Tax Collection reminder letters (normalising Council Tax collection in the first reminder letter and using a diagram highlighting individual Council Tax payees' position in the cash flow in the system in the second reminder letter) has resulted in increased collection rates of 11% and 7% (equating to £2.8m and £1.8m) respectively for each of the letters. The pilot has been a success and was worth the time invested.</p> <p>It was AGREED that Medway Council would circulate their findings.</p>
5.2	<p>David McNulty reported that at Surrey County Council, the Care Debt pilot has met with similar success, and it was AGREED that David would circulate a note outlining specific numbers and confirming the progress made.</p>
6.	Sharing, learning and improvement
6.1	<p>The Board discussed a number of issues that could be effectively dealt with by the SE7 at a future meeting, including:</p> <ul style="list-style-type: none"> • The partnership's intention to engage in the Central Government review and consultation into need (which will take place over the coming months) to highlight the types of need that exist in the South East (the cost of housing and the difficulty buyers face in getting on the property ladder was identified as a particular issue). It was AGREED that work undertaken in the development of the SE7 Cost of Success report in 2015 will provide some useful data/information. • The implications of the Business Rate retention proposals for the SE7.

7.	Next Meeting
7.1	The date of the next meeting of the SE7 Leaders' Board is 10.30am - 12.30pm, 20 May 2016, Sofitel Gatwick.