

Report to: **Cabinet**
Date: **19 July 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**

RECOMMENDATION

The 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 Friday 20 May 2016 and the notes of the meeting are attached as Appendix 1. A number of national policy developments were discussed, and the Board considered how the partnership can work together to take advantage of opportunities and meet the challenges emerging as a result of developments.
- 1.2 The Board considered a paper, which outlined the Department for Transport's (DfT) intention, following the introduction of the Cities and Local Government Devolution Act, to establish a small number of Sub-National Transport Bodies (SNTB) across the whole of England (outside of Greater London), with no "white space" between bodies. A SNTB has the ability to prepare a Transport Strategy for an area which contains proposals for the promotion and encouragement of safe, sustainable and efficient transport facilities and services. It was agreed that the SE7 should take advantage of this opportunity to have greater influence over the development and provision of transport and infrastructure in the South East and that leading discussions on the establishment of a South East SNTB would enable SE7 authorities and partners to influence the scope and footprint of the Body. It was also agreed that the SE7 forms a logical footprint for a South East SNTB, but that other additional areas could be considered for inclusion if requested by the DfT and required in order that the Body could deliver its aims. The Board agreed that exploratory work should begin to identify what each SE7 Authority would wish to achieve through an SNTB and to test the appetite of potential partners.
- 1.3 East Sussex County Council's Director of Communities, Economy and Transport is leading on this activity on behalf of the SE7 Councils and the Three Southern Counties (3SC) partnership. There are a number of questions to be resolved with respect to the development of the SNTB, including, how the Body is funded and the relationship with any 3SC devolution deal entered into with Government. These issues will be explored with partners, stakeholders and Government over the coming months.
- 1.4 The Board received a presentation from Hampshire County Council (HCC) on the Educational Excellence Everywhere White Paper and Members discussed a number of concerns regarding Government's current education policy. The slides of the presentation are available upon request. It was agreed that a letter would be sent to the Department for Education, copied to the Treasury, quantifying the investment SE7 Authorities have made in transforming schools, and seeking clarity and further information around how Local Authorities' statutory duty for school improvement will be

impacted by the pursuit of academisation and how the transfer of assets and school budgets will be handled during conversion. It was also agreed that the SE7 should feed into the formation of the Education for all Bill at the Committee Stage to try to ensure these concerns were addressed.

- 1.5 The Board received a further presentation from Brighton & Hove City Council on full business rates retention proposals and the Government's anticipated review and consultation into needs. The slides of the presentation are available upon request. The Board agreed that the question of how need will be measured and met under the new system of full retention was paramount and the SE7 should, therefore, work to demonstrate the level of need in the South East as a priority. It was agreed that the SE7 should commission the production of an independent paper, based on the 2015 SE7 Cost of Success report, demonstrating: the high cost of providing services in the South East; the skills deficit and recruitment difficulties the region currently faces, particularly among public sector workers; and the number of residents living in social deprivation. It was also agreed that the SE7 should engage with the joint Department for Communities and Local Government and Local Government Association Steering Group (which has been established to consider how to implement full retention of business rates), MPs, and local businesses to raise awareness of how full retention will impact Authorities and to address concerns.
- 1.6 Each Authority provided an update on their devolution proposal. Both the Three Southern Counties partnership and Greater Brighton Economic Board continue to work towards key meetings with Ministers to develop their respective deals. HCC has commissioned Deloitte to analyse a number of options for Local Government reorganisation in Hampshire and they have concluded that the creation of a Unitary "Hampshire Council" would increase efficiency and deliver tens of millions of pounds of savings. HCC will, however, undertake a full public consultation before any changes are made. Kent and Medway are engaging with partners and working together to develop a proposal for submission to Government before the Summer Recess.

2. Next Steps

- 2.1 The Chief Executives' Board will progress work on demonstrating need in the South East and consider and plan a potential timescale for delivery of a South East SNTB.
- 2.2 Future meetings of the Chief Executives' Board will also consider the following items in advance of being discussed at future Leaders' Board meetings:
 - Sustainability and Transformation Plans;
 - Health and Social Care Integration; and
 - Future opportunities for collaborative Behavioural Change work.The next Leaders' Board meeting in October 2016 will primarily focus on housing in the South East.

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SOUTH EAST SEVEN (SE7) MEETING

Friday 20 May 2016

Attendance

Members

- Cllr. Warren Morgan, Leader, Brighton & Hove City Council
- Cllr. Keith Glazier, Leader, East Sussex County Council (Chairman)
- Cllr. Keith Mans, Deputy Leader, Hampshire County Council
- Cllr. Paul Carter CBE, Leader, Kent County Council
- Cllr. John Simmonds MBE, Deputy Leader, Kent County Council
- Cllr. Alan Jarrett, Leader, Medway Council
- Cllr. Peter Martin, Deputy Leader, Surrey County Council
- Cllr. Louise Goldsmith, Leader, West Sussex County Council

Officers

- Geoff Raw, Chief Executive, Brighton & Hove City Council
- David Kuenssberg, Executive Director Finance and Resourcing, Brighton & Hove City Council
- Kevin Foster, Chief Operating Officer, East Sussex County Council
- David Cockburn, Corporate Director of Strategic and Corporate Services and Head of Paid Services, Kent County Council
- Neil Davies, Chief Executive, Medway Council
- David McNulty, Chief Executive, Surrey County Council
- Sean Ruth, Acting 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. Roy Perry, Leader, Hampshire County Council (Vice-Chairman)
- Cllr. David Hodge, Leader, Surrey County Council
- Becky Shaw, Chief Executive, East Sussex County Council
- John Coughlan, Chief Executive, Hampshire 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 18 January 2016.
2.	Education White Paper
2.1	<p>Cllr. Keith Mans gave a presentation on the Education Excellence Everywhere White Paper, which covered:</p> <ul style="list-style-type: none"> • the structure of education proposed in the Paper, including the funding and management of Multi-Academy Trusts; • the proposed lines of accountability under blanket academisation; and • the concerns that have been raised by Head-teachers, Local Authorities, parents and other stakeholders since the Paper was published.
2.2	<p>A discussion followed the presentation where Government's decision not to pursue blanket academisation was welcomed, and it was acknowledged that although academy conversion has worked well for certain schools across the South East, other schools are content and flourishing under the responsibility of Local Authorities who hold a wealth of expertise on school management, transformation and investment. All attendees agreed that the form of leadership pursued by each school should be the one that is most beneficial for pupils.</p> <p>A number of concerns were raised around the Government's education policy moving forward and the implications of the Education for All Bill. It was established that, at present, the geography covered by Regional Schools Commissioners (RSC) is too great, making effective partnership working difficult and raising questions around how RSCs would effectively manage school performance. It was acknowledged that the Government is still keen to encourage academisation and concerns were raised about the cost of conversion to Authorities, and how the loss of schools as Local Authority assets will impact capital programmes. Other concerns raised regarded the loss of parental input in schools, how Authorities will uphold their statutory duties for Special Education Needs and Disability provision and safeguarding, and whether academies will provide enough school places, particularly for vulnerable children and young people.</p> <p>In response to the Government's current education policy some Authorities fed back that they are looking to establish a Local Authority Multi-Academy Trust.</p>
2.3	<p>It was AGREED that the SE7 would draft a letter to the Department for Education, copied to the Treasury, quantifying the total amount Authorities across the SE7 have spent on transforming schools and specifically the school property assets, seeking further clarity around how Local Authorities' statutory duty for school improvement will be impacted by the Government's pursuit of academisation, and requesting further information on how the transfer of assets and school budgets, including existing deficits, will be handled when schools convert. John Coughlan is to pick this up when discussed at the next SE7 Chief Executives' Board.</p> <p>It was AGREED that the SE7 should also take opportunities to feed into the formation of the Education for All Bill, including by feeding concerns back to MPs and working with members of the Public Bill Committee.</p> <p>It was AGREED that if Members think of any further points that should be</p>

	addressed in the letter, they should send them to lee.banner@eastsussex.gov.uk .
3.	National Non-Domestic Rates Proposals Implications and Government Review and Consultation Into Needs
3.1	<p>David Kuenssberg gave a presentation on proposals for full National Non-Domestic Rates (NNDR) retention. The presentation outlined:</p> <ul style="list-style-type: none"> • the timeline for developing and implementing 100% retention; • a variety of risks and uncertainties that may result from the proposals; • the impact that a review of the Needs formula will have on retention; and • suggested ways that the SE7 may want to lobby and engage with key decision makers, such as the joint Department of Communities and Local Government (DCLG) and Local Government Association (LGA) Steering Group that has been commissioned to consider: <ul style="list-style-type: none"> ○ mechanisms for 100% business rates retention; ○ time scales; ○ implementation; ○ system design; and ○ how need will interact with redistribution and new service responsibilities.
3.2	<p>A discussion followed in which Members considered the best way to represent the views of the SE7 during NNDR retention discussions. Members identified a number of concerns that would need to be addressed, including, the possibility of Authorities receiving new responsibilities that are underfunded by the new system and the possibility of current disparities in distribution being reflected in the new system. The membership of the DCLG/LGA Steering Group was reviewed and it was agreed that opportunities for the views of county areas to feed into the Group's work would need to be identified.</p>
3.3	<p>It was AGREED that the SE7 should utilise links with Central Government and the joint DCLG/LGA Steering Group to address the concerns. It was AGREED that the SE7 should also engage with MPs to demonstrate the effect that proposals could have on the region.</p> <p>The Board AGREED that the question of how need will be measured and met under the new system was paramount and that the SE7 should work to demonstrate the level of need in the South East as a priority. It was proposed that the SE7's 2015 Cost of Success Report should form the basis of this work, as it clearly demonstrates the high cost of providing services in the South East, with additional figures, demonstrating the skills deficit and recruitment difficulties the region currently faces, particularly among public sector workers, and the number of residents living in social deprivation to be included. The Board suggested that an independent body/organisation is commissioned to carry out this work.</p> <p>Members also AGREED that the SE7 should work to engage the business community to clarify the potential impact of proposals on Local Authorities and the region, and harness and represent their views on 100% retention.</p> <p>The SE7 Chief Executives' Board will take up this work.</p>
4.	Devolution Activity Update
4.1	Authorities provided an update on their devolution plans.

	<ul style="list-style-type: none"> • Greater Brighton Economic Board (GBEB) – GBEB is working towards key meetings with Ministers and will provide an update on meetings once they have taken place. The Board is monitoring the development of Sustainability and Transformation Plans (STPs) closely to consider the impact that they may have on their proposal. • The Three Southern Counties (3SC) – the 3SC hosted a successful Leaders’ Seminar in early April and representatives are now meeting with Government ministers to determine which parts of the proposals are likely to form the final deal. • Hampshire – Cllr. Keith Mans fed back that Hampshire County Council (HCC) has commissioned Deloitte to analyse a number of options for Local Government reorganisation in Hampshire. Deloitte has concluded that the creation of a Unitary “Hampshire Council” to replace HCC and the 11 Borough and District Councils would increase efficiency and deliver tens of millions of pounds of savings. However, before any changes are to be made, HCC will undertake a full public consultation. The proposal for a Unitary Authority follows proposals for the formation of Combined Authorities in the North (the Heart of Hampshire Devolution Bid) and South (the Solent Devolution Bid) of the county, which HCC regard as ineffective reorganisation as the Combined Authority boundaries pay little regard to current Local Enterprise Partnership, NHS, fire service and police boundaries. HCC is happy that the review has started a debate of what is best for people locally, and is optimistic that the creation of a Unitary Authority could involve a number of powers being devolved to Hampshire in the long-term. • Kent and Medway – Kent and Medway are working together to produce a draft paper focusing on growth (with themes covering housing, transport, jobs, and business support etc.) with the aim of submitting a proposal to Government before the Summer Recess.
5.	Sub-National Transport Body
5.1	<p>David McNulty introduced the paper which outlined that the Department for Transport (DfT) have clear intentions to establish a relatively small number of Sub-National Transport Bodies (SNTB) in England, with no “white space” between bodies. It was suggested that the SE7 should consider leading the discussions on the establishment of a South East SNTB in order to influence the scope and footprint of the body.</p> <p>The Board discussed and agreed that the SE7 should take advantage of this opportunity and that the SE7 forms a logical footprint for a South East SNTB. Leaders agreed that additional DfT areas could be considered for inclusion in the SNTB, if requested by the DfT, if their inclusion would be essential for the South East SNTB in delivering its aims.</p>
5.2	<p>It was AGREED that work should begin at pace to determine what Authorities are looking to get out of a South East SNTB, to build proposals for entering into discussion with DfT. The SE7 Chief Executives’ Board will pick up this work.</p>

6.	Behavioural Insights Team – Future Opportunities
6.1	Neil Davies fed back that following the conclusion of the Medway Council Council Tax Debt and Surrey County Council Adult Social Care Charges trials with the Behavioural Insights Team, now seemed an appropriate time to consider another piece of behavioural change work, potentially on digital transformation.
6.2	Members AGREED that the SE7 should consider further work around behavioural change, and that work should begin by identifying organisations that could provide support with this work.
7.	Sharing, Learning and Improvement
7.1	<p>The Board AGREED that the SE7 could benefit from a discussion of STPs at a future meeting. The purpose of such a discussion would be to feed back how STPs are being implemented across the South East, and how Authorities are effectively working with partners in other sectors of the NHS, including Acute Care, to ensure social care provision and prevention initiatives are effective.</p> <p>Geoff Raw fed back that in July 2017 Brighton is hosting the European Social Network Conference at which global specialists will consider examples of best practice in health and social care integration. Geoff suggested that the SE7 could provide a series of workshops to discuss the practical application of STPs in the run up to the conference.</p>
8.	Next Meeting
8.1	The date of the next meeting of the SE7 Leaders' Board is 10.30am - 12.30pm, Friday 7 October 2016, Hilton Gatwick.