

**SOUTH EAST ENGLAND COUNCILS
EXECUTIVE MEETING**

Date: 10 September 2010

Subject: **SEEC contribution to Spending Review 2010**

Report by: Cllr Paul Carter, SEEC Chairman
Heather Bolton, SEEC Head of Communications & Public Affairs

Recommendation:

SEEC Executive is asked to note the report and submitted contribution to the Government Spending Review.

1. Introduction

- 1.1 At the SEEC Executive and AGM meetings on 14 July 2010 it was agreed that SEEC should submit a contribution to the Government's Spending Review.
- 1.2 It was agreed that a short, focused contribution should be made to the Spending Review drawing on key points from members' debate and from AGM papers setting out priorities across transport, housing, economy and skills. The contribution was agreed by the SEEC Chairman between meetings to allow a timely submission to ministers' discussions.
- 1.3 A full copy of the SEEC submission to Spending Review is attached as appendix 1.

2. Context

- 2.1 The coalition Government has committed to a major review of Government spending, which will report on 20 October 2010. SEEC recognises the extreme financial pressures and supports the priority given to reducing the national deficit and backing economic recovery.
- 2.2 The South East has a key part to play in continuing to build recovery from recession as our area drives UK economic growth and delivers substantial net tax income. There is a danger that short term decisions against investment in the South East would have a negative impact on the whole of the UK economy at the point where we most need to sustain recovery from recession.
- 2.3 There are also concerns that misconceptions about a universally wealthy South East could lead to disproportionate cuts in public spending/ public sector jobs that would adversely affect the South East's significant deprived areas. Some 500,000 South East residents live in areas that rank within the 20% most deprived in the country.

3. Summary of key points for Spending Review

- 3.1 Key points from the SEEC submission to Spending Review include:
- i) The South East offers a proven good return on public investment, money spent elsewhere has not delivered desired results.
 - ii) Latest figures show the South East contributes some £18 billion a year more to the Treasury than is spent on public services in our area. Continued investment is needed to ensure this safety net remains in place to support public spending here and elsewhere.
 - iii) Economic growth in other areas must not be at the expense of declining investment and performance in the South East economy.
 - iv) The South East economy is enormously diverse and some areas rely heavily on public sector jobs and public investment to support economic regeneration and improved living standards.
 - v) Investment is needed to help maintain the South East's globally competitive economy. Without this investment, companies will move overseas rather than to another part of the UK. Priority issues include:
 - High speed broadband to raise our international ranking
 - Skills to support innovation and better productivity
 - Major transport projects that will improve access for all UK businesses to South East ports and airports
 - Affordable housing to support continued economic growth.

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