



South East England Councils
Room 215 County Hall
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KT1 2DN

21 February 2020

020 541 7553

Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
SW1A 2HQ

Dear Mr Sunak,

Congratulations on your appointment as Chancellor of the Exchequer. I am sure that your understanding of the importance of local government to the prosperity of the country and to the well-being of our communities will be a great asset.

South East England Councils represents County, Unitary and District Councils across the South East, an area which is key to the success of the economy and to the international competitiveness of the UK as a whole.

As you will well know, the South East is one of just three regions in the UK that makes a positive contribution to the national exchequer, so it is crucial we are able to sustain and improve that for the benefit of all regions. Indeed, if the contribution the South East makes to the UK economy is jeopardised, it is difficult to see how the Government's recently announced investment plans will be affordable

Again, you will know there are areas of deprivation in the South East and worryingly there are 900,000 residents with low skills or no educational qualifications. Less well known and appreciated is that for the last decade there has been no increase in overall productivity.

We understand and give our full support to the Government's intention to invest in the North and the Midlands but are sure you agree that this must not be to the detriment of the South East, particularly as we enter a new era of international trade. The South East is the UK's largest exporter of goods and a gateway to global export markets. That is not going to change so a transport system which cannot cope will only benefit our international competitors. One opportunity to boost exports is to invest to improve transport links to the region's hugely important ports and airports.

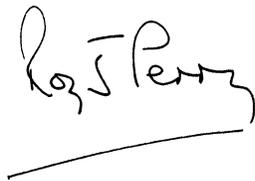
The South East has delivered over 100,000 new homes in the last three years, the highest number in the country, but could deliver many more with greater powers to unblock stalled sites and with greater investment to support the delivery of housing and funding for schools, health services and public transport to serve new communities.

With public expenditure per head of population in the South East already the lowest in the country we ask you to ensure that 'levelling-up' does not have the opposite effect of widening the funding gap. To do so will risk the prospects of our young people and place an unbearable burden on a system which already serves the highest number of people aged 75+ and faces the highest projected increase.

Your forthcoming Budget is an opportunity to reaffirm that the Government recognises the needs of the South East as well as London and other regions, and to help us play a full part in national economic success.

I would welcome the opportunity to meet with you or one of your ministerial colleagues to discuss this further. I have set out some key facts about the South East below. Please do not hesitate to contact me (roy.perry@hants.gov.uk) if you require further information.

Yours Sincerely,

A handwritten signature in black ink that reads "Roy Perry". The signature is written in a cursive style and is positioned above a horizontal line.

Councillor Roy Perry

Chair, South East England Councils

10 things to know about the South East and why it is critical to the success of the whole of the UK



The South East has the **largest population** of any region and returns 84 Members of Parliament.

The number of people aged **75+ is by far the highest** in the country and set to double by 2041.

The South East generates over **£100bn** of tax revenues every year and makes **a net contribution of over £20bn** to the national exchequer (over **£2,000 per person**). This funds investment in other parts of the UK.

The South East has the **lowest public expenditure in the country** with revenue funding **30% below the national average**.

An infrastructure **gap of over £15bn** is forecast by 2030. Combatting climate change whilst delivering growth will increase this, and the gap will become even bigger if money is diverted elsewhere.

The South East is home to over **80,000 businesses in high productivity sectors**.

The region's **international competitiveness** is vital to the UK. There are over 8,800 foreign owned businesses that invest in the South East. It **exports over £85bn** goods and services. It is by far the largest exporter of goods and a gateway to international markets, but public **expenditure on transport is 15% below** the national average.

There are almost 900,000 people with **low skills or no formal qualifications**. The region's **productivity has not increased** over the last decade.

The South East has delivered **117,000 new homes** over the last three years – the highest in the country. More than this number have been given permission but remain unbuilt - this could be changed if the Government gave councils greater powers.

House prices are **12 times average earnings**. 7 out of 10 of the least affordable places to buy a home are in the South East.