

## **THE SOUTH EAST HAS SUFFERED FEWER CUTS THAN OTHER REGIONS BUT IT FACES GREATER CHALLENGES**

I want to urge caution over the LGC report on Institute for Fiscal Studies' work showing that councils in the South East have avoided the brunt of austerity cuts between 2009-10 and 2016-17.

The IFS figures provide an insight into local authorities' spending, showing higher percentage falls in metropolitan areas than in two-tier areas such as the South East. However, South East England Councils (SEEC) members feel that this cannot be used as a basis for comparison without also considering councils' level of spending per resident, which shows the South East had a much lower starting point.

In 2009-10 councils in the South East spent an average of £774 per person, the lowest level in the country and just over half of London councils' £1,421 average spend per head. This is despite many parts of the South East also being high-cost areas with high numbers of residents in income deprivation (909,000 in the South East in the 2015 Index of Multiple Deprivation).

Looking solely at the IFS figures, the average 19% fall in South East spending per resident since 2009-10 may appear modest in comparison with London's average 39%. However this overlooks the fact that even today, London Boroughs still have almost £100 more to spend per resident – £861 on average – than their South East neighbours had seven years ago in 2009-10.

Average spend per resident in the South East today at just £628 remains among the lowest levels in the country.

Low levels of South East funding over many years mean that our authorities are struggling to meet service and infrastructure pressures. Many SEEC members border London and face the same problems but have less funding per person to respond to deprivation, congestion and the high cost base for property and salaries.

In social care, the South East faces greater challenges than London. South East authorities have the UK's largest older population. With 788,000 residents aged 75 and above, we have 40% more older people than London.

Returning to similarities, London and the South East are the UK's best performing economies. We need funding at London levels to ensure that poor, overcrowded infrastructure does not damage the South East economy when we must nurture success in preparation for Brexit.

It was therefore disappointing to see provisional allocations of Local Growth Funding compound South East under-funding. One Local Enterprise Partnership in the region was offered funding for just 6% of the infrastructure needs in its proposal – something that can only undermine its future economic success.

These factors all point to a local funding system that is broken. It must be replaced with one that has a better way of assessing individual councils' need. This will require an approach that does more than simply extrapolating what has been spent in the past.

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