

SPRING 2021

SOUTH EAST 1,000

BIANNUAL REGIONAL MONITOR

Savanta:
ComRes



#SEECSouthEast1000

SEEC COMMENTARY – THE CHAIRMAN’S VIEW

The second edition of the SEEC South East 1,000 is published at what is an interesting, but uncertain, time. Our society is slowly, but surely, emerging from the significant impacts of the pandemic thanks to the national vaccination programme. Local Councils have spearheaded efforts to respond to, and tackle Covid-19 impacts. Opinion research (page 7) finding that over two-thirds of all respondents were confident their local council would make the right decision for their area serves as a reminder to Ministers, contemplating structural reforms, to take note of the affinity that local populations have with their local authorities and local representatives.

Partnering with polling experts Savanta ComRes, and international economist Vicky Pryce, SEEC launched the South East 1,000 last year as a unique monitor of public, business and councillor opinion. The monitor has been beneficial as SEEC has worked to influence policymakers and decision-takers on matters of concern and interest to our region.

Going forward, the South East 1,000 monitor will, I trust, become a useful reference source for parliamentarians on the new All-Party Parliamentary Group for the South East region – for which SEEC will act as Secretariat.

I am delighted that the Chair of the new APPG for the South East; Sally-Ann Hart MP, has kindly taken the time to offer a guest commentary for this edition of the SEEC South East 1,000. Finally, as I shall step down as SEEC Chair at the association’s forthcoming AGM in June, I should like to thank colleagues, friends and acquaintances, over many years, for their help and support in a collective endeavour to make the South East a great place to live, work and do business. With so many positive attributes and an abundance of talent, I for one, believe that there is much untapped regional potential that could be harnessed for the benefit of the whole UK.



Roy Perry, Chair, SEEC (Former Leader of Hampshire County Council)

SOUTH EAST 1,000

South East England Councils (SEEC) publishes the *South East 1,000* twice a year in spring and autumn.

Areas for gauging views are focused on:

- Infrastructure
- Transport
- Skills
- Decision-making
- Communities

There are also ‘topical’ questions on current pressing issues.

Based on responses from over 1,000 stakeholders, the *South East 1,000* is one of the largest and authoritative regular surveys

METHODOLOGY

Savanta ComRes interviewed a total of 1,017 people between 9th and 29th March 2021:

- 514 Members of the Public (18+)
- 266 Business decision makers
- 237 Councillors

Councillor data was weighted by Council type, Council control, Party and Gender.

Business data was weighted to be representative of South East England by Industry & Sector type

Public data was weighted to be representative of South East England adults by Age, Gender and County

Savanta ComRes is a member of the British Polling Council and abides by its rules. Full data tables available at www.comresglobal.com

GUEST COMMENTARY – THE POLITICIAN’S VIEW

We have a strong free trading pedigree as a nation which has helped build the economic powerhouse we know today. Free trade builds businesses and develops industries, bringing wealth and prosperity to the whole UK.

The South East region is vital to UK global trading ambitions and we now have an amazing opportunity to turbo-charge global free trade - I welcome the Freeports proposals for the Solent and Thames areas which can become hubs for international trade and investment.

Promoting regeneration and job creation, Freeports can be places for innovation and creativity. With concessions on customs, tax, planning and, with reduced bureaucracy, Freeports offer great potential to drive a post-Brexit manufacturing boom, attract high-tech companies and boost entrepreneurship.

Importantly, they can help to keep the South East region competitive as the Government pursues its ambitious levelling-up agenda.



Sally-Ann Hart MP, Hastings & Rye constituency (Chair, APPG South East)

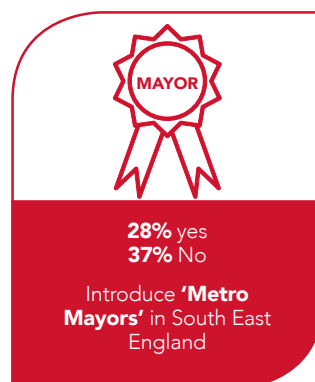
METRO MAYORS

Overall, most respondents did not favour the introduction of 'Metro Mayors' (like Sadiq Khan or Andy Burnham) across the South East region.

Within the separate polling cohorts, the strongest opposition was found among Councillors with over two-thirds (67%) indicating opposition.

The strongest support among any cohort was with Businesses, where slightly over one third (36%) were receptive to the idea.

However, with close to one third (29%) of respondents saying they neither supported or opposed Metro Mayors, this is a topic to watch as public policy developments unfold in the coming months as the 'Levelling-up' agenda is finally given some definition by Ministers.



WORKING WITH LONDON

Respondents were asked what named topic areas they thought councils in the South East region should work more closely with the Mayor of London on. (multiple answers permitted).

- Working together on improving health emerged as the highest preference overall in the survey.

Notably for **Businesses** (49%) and the **Public** (44%) working together on improving health was the highest preference for both cohorts. This may be due to the current Covid-19 pandemic. However, given current health service structures, it is not clear what that could look like beyond perhaps sharing of best practice and relevant information exchange.

- The **Councillors** cohort highest preference was jointly shared as improving transport links between the two regions (50%) and 'developing initiatives to reduce the impacts of climate change' (50%).

The strong focus by Councillors on working on Climate Change initiatives is very interesting and, as a later section in this report shows, comes as greater numbers of respondents, overall, say they are aware of Climate adaptation measures being undertaken in their local area.

Improving Transport links would seem a logical preference. However, the practicalities of smoothing road and rail link issues may prove challenging for the South East region. London has its officially designated public transport authority in Transport for London (TfL) that regularly consults and works with the London Boroughs.

Of course much of the official south east region is within the operational area of Transport for the South East (TfSE) – and TfL now has a seat on its board – but TfSE is still seeking to secure statutory status. Ministers should look to prioritise that status soon.

IMPROVING HEALTH AND SOCIAL CARE SERVICES	43%
Public	44%
Businesses	49%
Councillors	34%
IMPROVING TRANSPORT LINKS BETWEEN THE TWO REGIONS	41%
Public	36%
Businesses	44%
Councillors	50%
DEVELOPING INITIATIVES TO REDUCE THE IMPACTS OF CLIMATE CHANGE	39%
Public	34%
Businesses	38%
Councillors	50%
INCREASING HOUSING PROVISION AND BUILDING NEW HOMES IN THE SOUTH EAST	33%
Public	31%
Businesses	39%
Councillors	31%

TRANSPORT

Reducing transport related carbon emissions to net zero by 2050 remains the highest ranked priority for respondents.

Overall, over half (51%) ranked this – an increase of 2% on the same question for the previous *South East 1,000* monitor last autumn.

Both the Councillor cohort at (61%) and the Businesses cohort at (48%) increased this time round.

The second highest ranked priority, from named options with multiple preferences permitted, was a 'transport network that protects and enhances natural and historic environments'. Overall, 40% of respondents ranked that; Councillors and Businesses both at (41%) and the public at (39%).

Better integration between land use and transport planning with an overall 36% scoring was in third place ranking – compared to joint second place on the same question for the previous *South East 1,000* monitor last autumn.

The previous *South East 1,000* monitor last autumn had found very low interest in better connectivity to London – a trend that has continued now for the Spring edition of this regional monitor. **Overall, only 14% of respondents thought better connectivity to London should be a priority.** Within the Councillor cohort only 7% had indicated a preference for this option.

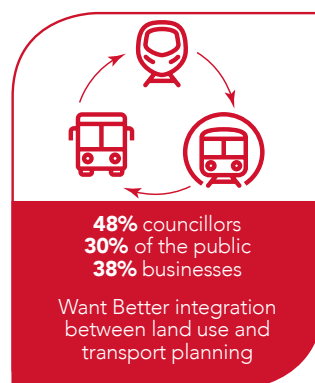
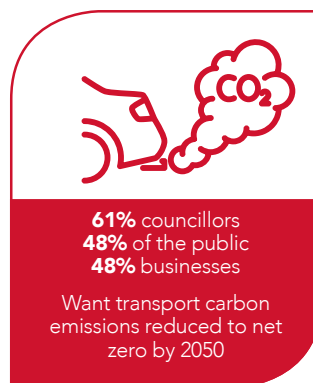
Asked to think about changes to their lives since the onset of the Covid-19 pandemic, respondents were invited to indicate how they thought a number of specific options should increase, decrease, or stay as they are currently in their local area.

Overall, more than half (56%) of all respondents want local car traffic levels to decrease compared to what it is now. This compares to 64% on the same question for the previous *South East 1,000* monitor last autumn.

What may account for this change is the lockdown that started in December perhaps seeing any travel back on private rather than public transport.

66% of all respondents across the region want an increase in cycling and walking compared to how it is now.

Public Transport usage proved interesting with over half (56%) of all respondents saying it should increase.



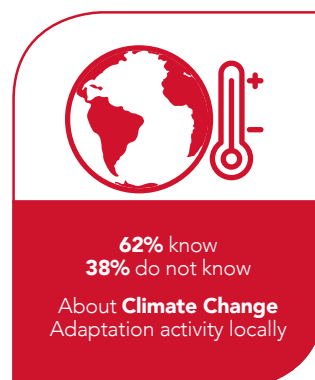
CLIMATE CHANGE

Climate Change does of course cut across all aspects of life, though it is perhaps in the area of transport that many people immediately think about emissions impacts.

Overall, there has been an increase in awareness of local measures on planning and preparing (Climate Adaptation) to address the impacts of Climate Change.

62% of all respondents said they knew about measures being taken locally.

- 97% of Councillors
- 60% of Businesses
- 47% of the public.



INFRASTRUCTURE

Once again, respondents were asked to indicate their three top priorities, from listed options, for investment in their area. Overall, 52% of **respondents saw supporting the local economy as the clear priority**. This is a similar to the level of response (53%) to the same question in the previous edition of the South East 1,000 last autumn.

Increasing the affordability of housing (42%), was the second highest priority. That is a notable change compared to the ranking the topic received (36%) in the previous edition of the South East 1,000.

Accounting for the change may be, partly, attributable to reports of increasing numbers of those living in metro and suburban areas wanting to relocate, post-covid, to less built-up and rural locations. In turn, this may drive concerns in localities about future affordability.

Protecting green spaces was the third highest priority with 37% of respondents, overall, indicating a preference. The topic had moved down from second highest priority (on 39%) in the previous edition of the South East 1,000.



43% of the public
36% of businesses
45% of councillors

See **Increasing the affordability of housing** a top priority for investment

House building

Following publication of the previous edition of the South East 1,000 last autumn, there was a raft of news and events in the housing and planning arena. SEEC was keen to probe respondents views and attitudes towards building more houses.

- 57% of all respondents support the building of new homes in South East England.
- Significant numbers of all respondents oppose building in rural (46%) or coastal (37%) areas.

SUPPORT BUILDING NEW HOMES IN SOUTH EAST ENGLAND REGION	AGREE 57%	DISAGREE 23%
Public	59%	19%
Businesses	57%	21%
Councillors	52%	31%
SUPPORT BUILDING NEW HOMES IN MY LOCAL AREA	AGREE 53%	DISAGREE 27%
Public	54%	24%
Businesses	48%	30%
Councillors	56%	30%
NEW HOMES SHOULD BE BUILT ALONG COASTAL AREAS IN THE SOUTH EAST	AGREE 29%	DISAGREE 37%
Public	31%	34%
Businesses	30%	36%
Councillors	22%	46%
NEW HOMES SHOULD BE BUILT IN RURAL AREAS OF THE SOUTH EAST	AGREE 24%	DISAGREE 46%
Public	24%	42%
Businesses	29%	39%
Councillors	16%	62%

SOCIAL CARE

Most respondents still want local councils to have primary responsibility for Social Care.

Overall, the same number (54%) as with the previous edition of the South East 1,000 last autumn voiced support for this option. That is opposed to 36% that believed central government should have responsibility.

For this latest Spring monitor, half of the public (51%) and businesses (49%) supported local council responsibility as did two thirds (66%) of councillors.



51% of the public
49% of businesses
66% of councillors

Want local councils to have primary responsibility for Social Care

COMMUNITIES

'Place-shaping' is a term widely used by policymakers, decision-takers and opinion leaders. **Any 'place' has, needs, or will be a community. Over time, the South East 1,000 is probing a sense of place and teasing out views about "local."**

Local affinity and identity

The strong sense of connection with their local area has remained the same as last autumn's South East 1,000 monitor, for all respondents.

Notably the business respondents cohort had a 5% positive increase, since autumn 2020, perhaps owing to greater interaction with residents deciding to shop local during lockdown periods.

	TOTAL	AGREE 64%	DISAGREE 14%
I FEEL A STRONG CONNECTION TO MY LOCAL AREA	Public	51%	20%
	Businesses	64%	14%
	Councillors	92%	4%
	TOTAL	74%	9%
I GET ON WELL WITH MY NEIGHBOURS	Public	65%	12%
	Businesses	77%	6%
	Councillors	90%	4%
	TOTAL	66%	15%
I FEEL LIKE I BELONG WHERE I LIVE	Public	56%	20%
	Businesses	66%	16%
	Councillors	89%	4%
	TOTAL	35%	39%
I FEEL LIKE I HAVE A SAY OVER IMPORTANT DECISIONS THAT AFFECT MY AREA	Public	20%	46%
	Businesses	30%	42%
	Councillors	72%	21%
	TOTAL	50%	19%
I THINK THINGS NEED TO CHANGE IN MY AREA	Public	46%	19%
	Businesses	52%	17%
	Councillors	58%	21%
	TOTAL	50%	19%

What is local?

Their village, town or city is clearly regarded as what constitutes "local" by two-thirds (65%) of all respondents. Interestingly respondents appear to have very limited affinity to their English county.

	TOTAL	65%
MY VILLAGE OR TOWN OR CITY	Public	61%
	Businesses	61%
	Councillors	79%
	TOTAL	20%
MY IMMEDIATE NEIGHBOURHOOD	Public	25%
	Businesses	19%
	Councillors	12%
	TOTAL	6%
MY COUNTY	Public	6%
	Businesses	6%
	Councillors	6%
	TOTAL	4%
MY REGION	Public	3%
	Businesses	8%
	Councillors	2%
	TOTAL	4%

Financing local government

The inaugural edition of the South East 1,000 monitor, last autumn, probed respondents views on certain taxes or levies being managed or raised at either the local or national level. For the spring 2021 edition, respondents were given the opportunity to indicate local, regional or national level preference.

There are clear indications that respondents have an increasing preference for certain taxes or levies not to be set or managed at the national level.

- A greater number of respondents would prefer the **Apprenticeship Training Levy** (46%), **Business Rates** (64%) and a **Tourist Tax** (61%) set and managed at either local Council or Regional level.

Interestingly, there is a real debate to be had on **Stamp Duty** as while 45% prefer national level setting, 21% prefer regional level and 20% wish it to be set at local council. 14% of all respondents either do not mind or are unsure.

- Notably, overall, over half (55%) of respondents do not see Stamp Duty as a matter that should be a national level competency.

		Set and manage at Local Council level	Set and manage at Regional level	Set and manage at National level
VEHICLE EXCISE DUTY (CAR TAX)	TOTAL	11%	13%	64%
	Public	11%	14%	57%
	Businesses	11%	16%	62%
	Councillors	10%	6%	80%
APPRENTICESHIP TRAINING LEVY	TOTAL	22%	24%	36%
	Public	16%	23%	37%
	Businesses	18%	24%	41%
	Councillors	38%	25%	29%
BUSINESS RATES	TOTAL	39%	25%	25%
	Public	30%	25%	29%
	Businesses	30%	34%	28%
	Councillors	69%	16%	13%
STAMP DUTY (HOUSE TAX)	TOTAL	20%	21%	45%
	Public	20%	19%	42%
	Businesses	18%	25%	45%
	Councillors	22%	22%	51%
AIR PASSENGER DUTY (FLIGHT TAX)	TOTAL	7%	12%	64%
	Public	7%	13%	60%
	Businesses	12%	11%	64%
	Councillors	4%	11%	74%
A LOCAL TOURIST TAX (HOTEL TAX)	TOTAL	34%	27%	23%
	Public	25%	26%	28%
	Businesses	27%	34%	25%
	Councillors	62%	19%	12%

DECISION MAKING

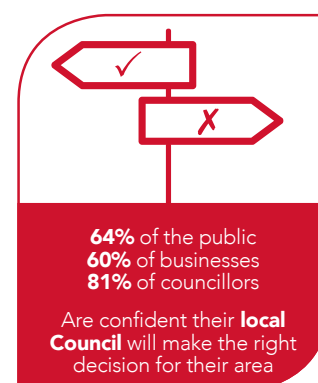
67% of all respondents were confident their local council would make the right decision for their area. This is a 5% positive rise on the same question for the previous *South East 1,000* monitor last autumn.

All three separate cohort views towards their local council have increased most notably that of the public which saw an increase of close to 10%.

This is not totally surprising given that local councils have spear-headed efforts to tackle Covid-19 impacts.

In comparison, 54% of all respondents expressed some confidence in the UK Government making the right decision for their local area.

For the second successive time, Business received the highest score with 72% (up from 67% in autumn 2020) of all respondents believing it would make the right decision.

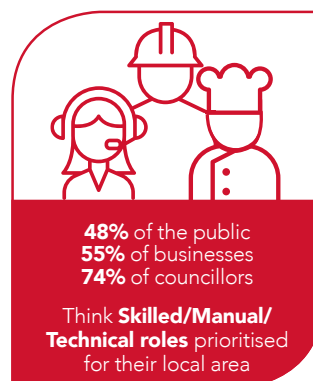


SKILLS

Overall, respondents from all cohorts clearly want education, training and skills investment prioritised for skilled roles such as engineers or police officers, rather than unskilled roles such as retail and agricultural workers, cleaners or professional roles such as lawyers or teachers.

- 56% of all respondents want priority investment in Skilled roles
- 17% want priority investment in Semi/un-skilled roles
- 11% want priority investment in Professional roles
- 6% want priority investment in Clerical roles.

The overall 56% preference is an increase, overall, in respondents preference to the same question in the previous South East 1,000 last autumn.



Local Employment Market

Respondents were asked to list their **top three priorities for investment** in their local employment market. For the second successive regional monitor survey, the training and development of employees remained the top preference.

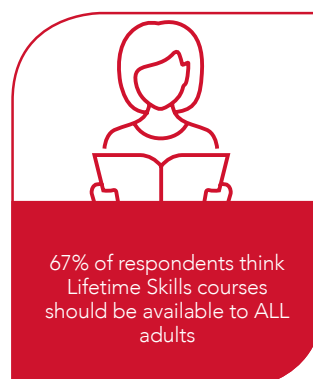
TRAINING AND DEVELOPMENT OF EMPLOYEES	55%
Public	52%
Businesses	57%
Councillors	57%
INCENTIVES TO BUSINESSES TO TAKE ON MORE EMPLOYEES	50%
Public	52%
Businesses	51%
Councillors	42%
ESTABLISHING BETTER LINKS BETWEEN EDUCATION PROVIDERS AND BUSINESSES	43%
Public	35%
Businesses	43%
Councillors	59%
INCREASING FLEXIBLE AND PART TIME LEARNING PROVISION	39%
Public	35%
Businesses	39%
Councillors	49%
PROVIDING MORE CHILDCARE	28%
Public	29%
Businesses	26%
Councillors	30%
CAREERS AND GUIDANCE	24%
Public	27%
Businesses	24%
Councillors	19%

LIFETIME SKILLS COURSES

The Government announced that a range of new lifetime skills training courses would be available free-of-charge from April 2021 to help boost in-demand skills and provide job opportunities.

The courses are intended to be for adults without A-level (level 3) qualifications to create better employment opportunities.

However, the majority of respondents across all three polling cohorts believe that Lifetime Skills courses should be available to ALL adults regardless of whether or not they have A-level (level 3) qualifications.



Vicky Pryce, Centre for Economics and Business Research (CEBR)



We have come a long way since my update for the last edition of South East 1,000 in autumn 2020

The Brexit transition came to an end with a new UK/EU Trade and Cooperation agreement based on no tariffs on goods but followed by a sharp (now only partly reversed) drop in exports and imports between the UK and the EU as non-tariff barriers were introduced to the flow of goods. Services remain pretty much outside the agreement; causing problems for all sectors, not just banking and finance.

We have witnessed two lockdowns and periods of intense uncertainty giving rise to huge implications for regions relying on travel and on hospitality – notably in the South East of England region. Covid-19 numbers are still rising around the world with new virus mutations emerging in developing nations – see the devastating impacts as in India. Europe has seen new restrictions and curfews imposed just as the UK began beginning ease restrictions on the back of a successful vaccine roll-out. And yet, a strong economic recovery across the globe seems on the cards.

Much of this is attributed to vaccine implementation but, in fact world GDP growth has been in positive territory more or less since last summer – helped by a strong uptick in China which exited lockdowns long before others and also in the US which managed to expand even at periods when the number of Covid cases was increasing worryingly fast.

Even Europe, which saw a further contraction in the first quarter of 2021 is seeing demand expanding again, including, finally, from the embattled consumer.

In most countries manufacturing and construction have been open through much of the last year. In the second lockdowns we saw exports, including those from the UK, much less affected than during the first.

Indeed while the WTO had expected a fall of anywhere between 13% and 32% in trade in 2020, the decline was no more than 7-8% and is now recovering strongly. *And all this before the full impact of the vaccine deployment was properly built into the system.* The vaccine roll out has of course helped, especially in the UK but also across the globe, though it has been much slower outside the developed world and China.

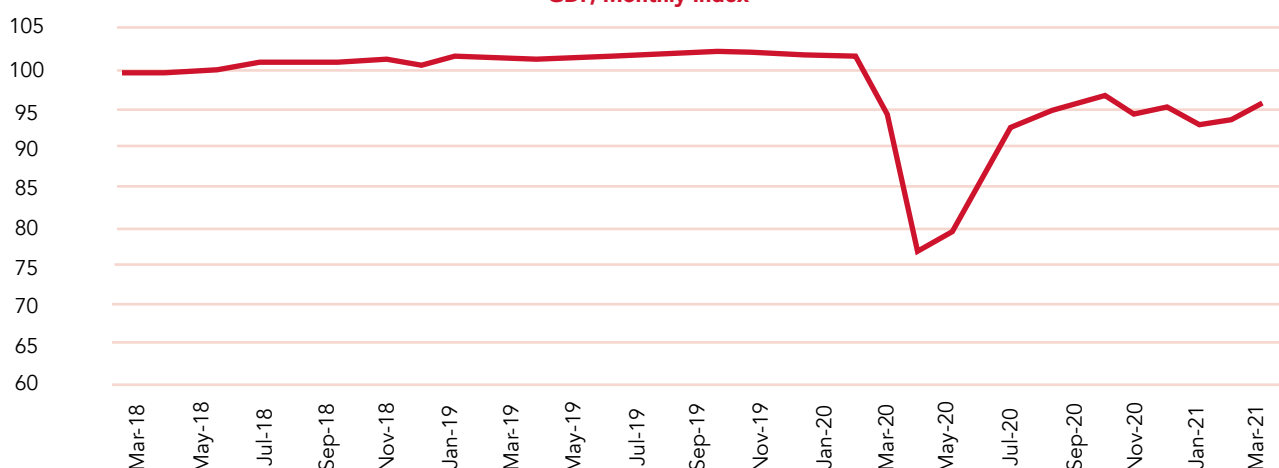
Substantial and continued fiscal and monetary stimulus have kept businesses and individuals afloat though the impact has been a bit uneven - small firms worse hit and those on low pay and the unskilled have found it harder to continue in employment or to accumulate savings on which much of the expected consumer spending revival is now predicated.

However, sectors are opening up and we find that, finally, recruitment intentions are rising and vacancies are increasing, even in the service sector.

Contraction in Q1 2021 which, due to the new and unexpected slowdown, was forecast to be some 4% was in the end a much milder 1.5%. Businesses and households seem to have coped much better with each lockdown and the economy now seems to be on an expanding trend.

GDP falls in Q1 but UK escapes second technical recession and recovery underway

GDP, Monthly Index



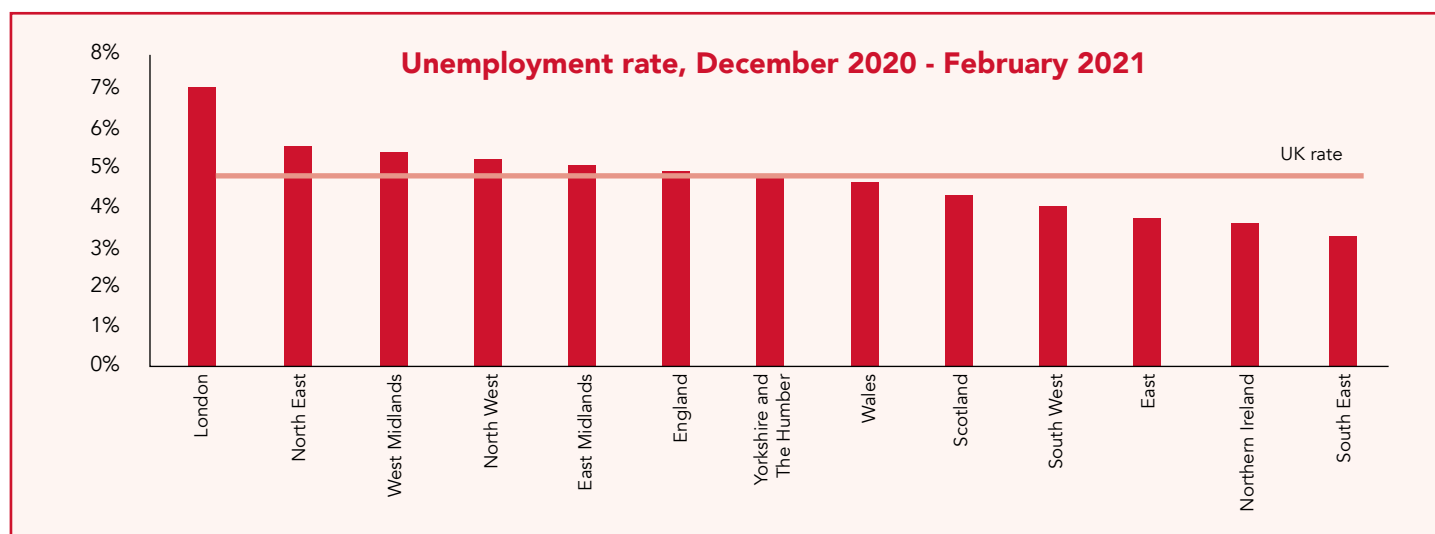
Indeed, latest PMI data suggest growth for the economy in the spring months. And a new forecast by the Bank of England has revised growth expectations to 7.2% this year from 5% in February with the likelihood that the economy will be back to pre-pandemic levels by December.

What does it all mean for the South East?

For businesses, government support such as “Bounce-back”, CIBLs and other loans has been crucial including the further extension of the furlough scheme and business rate relief in the budget of March. Likewise with a temporary super deduction for capital spending to encourage business investment even though this will be followed by a (pre-announced) sharp rise in corporation tax to 25% from 2023.

At some point the sharp increase in borrowing to £303bn in 2021 and to a further £234bn in 2021/22 will have to be dealt with. But in the meantime, the slight fall in unemployment rate overall in the last three months to 4.9% is a sign of an improvement in underlying conditions though the furlough scheme is still obscuring the true scale of the employment deterioration we have seen during the pandemic.

The South East region has managed to retain the highest employment rate and the lowest unemployment rate of any other in the UK.



The better outcomes in the South East region, despite lower visitor numbers and a substantive impact on colleges and universities (with much teaching moved online) can be partly explained by a strong research and IT representation in the region and the overall composition of regional employment.

ONS research shows that people working in ‘elementary administration and service workers’ - which includes bars and waiters/waitresses - were particularly badly affected by the various closures due to Covid. The English regions with the most workers in this occupational group in 2019 included London, the West Midlands and Greater Manchester which all saw the fastest rise in unemployment during the height of the pandemic.

The South East ranks low in this regard, but the recovery is still likely to be patchy as sectors recover at different paces - with worries around the slow pick-up in travel creating potential employment issues in those local areas, towns and cities surrounding airports like Gatwick or Southampton for example.

In addition, while confidence among big firms seems to have improved hugely, smaller firms remain markedly less optimistic.

Analysis of post Brexit issues and trade impediments with the EU following exit from the Single Market and the Customs Union has not only shown the extra costs of doing business even in a zero- tariff environment for goods which is discouraging smaller firms from exporting or trading with the EU, but also points to individual regional vulnerability ahead depending on the extent of concentration of manufacturing. Also, Service industries are now subjected to third-country non-tariff barriers – with some in the South East. See East Surrey and West Kent in the table below:

LOCAL AREAS	REGION	GVA FROM MANUFACTURING AND FINANCE, BANKING, INSURANCE ETC
Camden and City of London	London	71%
Tower Hamlets	London	68%
Cheshire	North West	62%
East Surrey	South East	56%
Swindon	South West	56%
Solihull	West Midlands	55%
Cheshire West and Chester	North West	55%
Telford and Wrekin	West Midlands	53%
East Lancashire	North West	53%
West Cumbria	North West	52%
City of Edinburgh	Scotland	51%
West Kent	South East	50%
Bromley	London	50%

Source: SMF analysis

Average house prices in England

The South East has had a high average house price monthly change compared to the bulk of the regions of England.

Price change by region for England

REGION	AVERAGE PRICE FEBRUARY 2021	ANNUAL CHANGE % SINCE FEBRUARY 2020	MONTHLY CHANGE % SINCE JANUARY 2021
East Midlands	£213,967	10.6	0.8
East of England	£306,346	6	-0.9
London	£496,269	4.6	-1.4
North East	£138,370	9	-1.6
North West	£184,351	11.9	1.3
South East	£345,075	8.5	0.9
South East	£279,242	9	0
West Midlands	£215,451	8.3	0.8
Yorkshire and the Humber	£182,220	10.9	0.6

Source: ONS

DELIVER BETTER TOGETHER

With most South East Councils as members SEEC aims to work in partnership to make the region a great place to live, work and do business.

We endeavour to promote and maintain the South East's position as a leading global economy, to seek and secure fair funding for the South East region and to monitor and highlight the economic pulse of the South East.

SEEC aims to provide and act as a unified democratic voice on South East interests.

Much of our work involves making the case to, and through, Government, Parliament, Industry, and the media: utilising case studies, facilitating local councillor delegations and hosting events

For further information on this report please contact

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