

AUTUMN 2021



South East Councils
Deliver Better Together

SOUTH EAST

1,000

BIANNUAL REGIONAL MONITOR

Savanta:
ComRes

#SEECSouthEast1000

SEC COMMENTARY – THE CHAIRMAN’S VIEW

The economic mantra we hear from national government is ‘build back better’, ‘levelling up’, ‘skills, skills, skills’ and ‘devolution’. What these well intended, but largely undefined, statements mean is for the future. I am honoured to follow Roy Perry as Chair of South East Councils. Roy superbly articulated that the South East region must not be left behind in the ‘levelling up debate’.

The findings within this latest edition of the SEC *“South East 1,000”* therefore ought not to be lost on our national politicians; **whatever ‘levelling up’ entails it must be noted that the South East has deprived and underdeveloped communities just as other English regions do.** I am delighted that this autumn edition of our regional monitor is the first published since the establishment of the new All-Party Parliamentary Group for the South East. Chaired by the parliamentary representative for Hastings and Rye; Sally Ann Hart MP, the new group has a strong team of parliamentarians from across the political spectrum and who represent diverse constituencies right across the region.

SEC aims to be a unified democratic voice for our region – the APPG South East can help magnify our voice. Our mission must be to maintain our relentless focus on working hard for our local residents and local businesses. Each edition of the *“South East 1,000”* provides a timely index of the interests, concerns and expectations of the communities we serve. The SEC *“South East 1,000”* should be seen, and utilised, as a reference source by all those with the best interests of our region at heart. Businesses, councillors and parliamentarians working together can ensure the South East is a great place to live, work and do business.



Cllr Nicolas Heslop, Chair, South East Councils (SEC)

SOUTH EAST 1,000

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

Areas for gauging views are focused on:

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

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

Based on responses from around 1,000 stakeholders, across three separate cohorts, the *South East 1,000* is one of the largest and authoritative regular surveys in the region

METHODOLOGY

Savanta ComRes interviewed people between 6th September and 11th October 2021.

Three separate cohorts:

- 500 Members of the Public (18+)
- 252 Business decision makers
- 193 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 BUSINESS LEADER’S VIEW

The South East has much to be positive about. CBI research found it has the second highest GVA per hour of the English regions at £37.79 and the second highest R&D per head.

However, there are still challenges to be faced, including improving digital infrastructure and enhancing the innovation and R&D ecosystem by increasing collaboration between business of all sizes, educational institutions, and entrepreneurs.

As we look towards winter there are some real issues such as skills and labour shortages across the economy, with the latest CBI data showing that 76% of firms believe labour access is a threat to labour market competitiveness.

With supply chain pressures and the rise in energy prices a growing concern as members look to accelerate their recovery, the UK - and the South East region - should seize the moment and create a high wage, high skill, high investment, high productivity economy.



Malcolm Hyde, Regional Director, Confederation of British Industry (CBI)

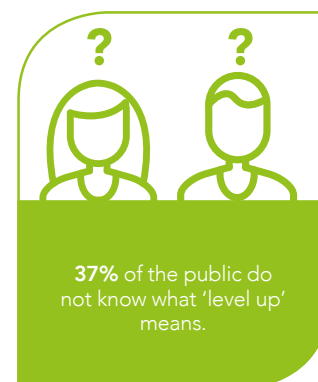
LEVELLING-UP

The Government has often talked about its intention to undertake a programme of activity to 'level-up' across the regions of the UK.

While, in September, Michael Gove MP was appointed as new Secretary of State for the Department for Levelling-up, Housing and Communities (DLUHC), to date, there remains a lack of clarity on what exactly any programme will entail.

When asked to what extent they understood what it meant to 'level up', overall, 68% of respondents said they understood a little or a great deal. The highest understanding was with Councillors (80%).

A quarter of businesses (23%) indicated they did not know what it meant.



What action can level up?

Respondents were asked what they thought, from a list of named options, were the most important matters to focus upon to help an area to 'level up'. (Respondents were able to select up to three options).

	TOTAL	PUBLIC	BUSINESSES	COUNCILLORS
Lower levels of unemployment	53%	51%	57%	51%
Reduced poverty	51%	52%	46%	55%
Reduced homelessness	35%	39%	31%	31%
Better transport connections	28%	23%	26%	43%
Lower levels of crime	27%	29%	28%	20%
Fewer closed or boarded-up shops	19%	19%	18%	19%
Reduced levels of mental health problems	17%	18%	16%	16%
More youth clubs or activities for young people	14%	12%	15%	17%
Reduced addiction to drugs or alcohol	11%	12%	12%	8%
Improved parks or public spaces	10%	11%	11%	6%
More community spaces	7%	6%	11%	5%
Improved museums or art galleries	2%	2%	4%	2%
Other	4%	2%	3%	11%
Don't know	3%	5%	2%	0%

Local priorities and levelling up

It has become commonplace, among some commentators, to assume the Government's levelling up intentions have the regions outside and beyond the South East as their focus.

South East Councils has consistently sought to highlight and/or remind policymakers, decision-takers and opinion formers that our region has areas lacking investment, pockets of deprivation and communities in need of regeneration.

At their recent party conference, some Conservative ministers sought to assuage concerns of their colleagues, and residents, in the 'south' that levelling-up will be a nationwide endeavour.

Within the context of any programme of activity by government to 'level-up', respondents were asked what they thought should be the top three priorities in their local area. (Respondents were able to select up to three options).

	FIRST	SECOND	THIRD
Public	Increasing affordability of housing (50%)	Supporting the local economy (44%)	Building Homes for Young People (39%)
Businesses	Supporting the local economy (45%)	Increasing affordability of housing (39%)	Improving local infrastructure (38%)
Councillors	Increasing affordability of housing (54%)	Improving local infrastructure (52%)	Action on the environment (51%)

CLIMATE CHANGE, ADAPTATION & RESPONSIBILITY

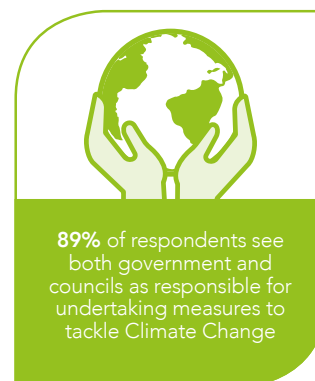
Since its inception, the *South East 1,000* monitor has probed respondents' awareness about local Climate Adaptation – preparing and planning activity to address the impacts of Climate Change.

For the previous two monitors, the greater number of respondents indicated they knew either a lot, or a little, about adaptation measures being undertaken in their local area.

While the latest fieldwork revealed that, overall, the majority (58%) of respondents said they know about measures, among the general public just two in five (42%) **said they know about adaptation measures being undertaken in their local area.**

Addressing Climate Change and adapting to its impacts will be a major and continual undertaking. While the Climate Change Act sets a framework for the UK's approach to tackling Climate Change SEC was keen to probe views on whose responsibility it should be to drive efforts forward.

Equal numbers of all respondents, overall, at 89%, thought government and councils should be responsible for measures to tackle climate change. **15% of the public respondents cohort said that the general public should not be responsible for taking measures to tackle Climate Change.**



Personal Action

Respondents were probed on what they are doing, or may be planning to do, on a personal level, to help tackle Climate Change impacts based on several named options. (Multiple choices permitted).

- **Less than one third (29%) had moved to make their home heating more efficient.**
- **Only 8% of respondents said have bought or drive an electric vehicle.**

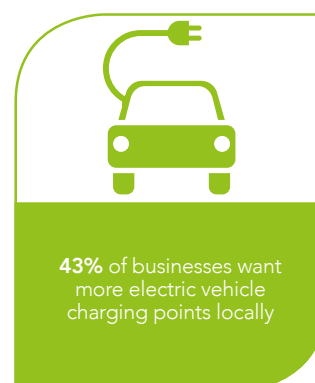
		Recycling more	Using energy-efficient appliances and lighting	Insulating my home	Using public transport, cycling or walking more	Buying goods or services with a low carbon footprint	Making my home heating more energy-efficient	Buying and/or driving electric vehicles
I have already done this or I am doing it	TOTAL	87%	64%	62%	48%	37%	29%	8%
	Public	85%	57%	55%	49%	28%	28%	4%
	Businesses	84%	64%	64%	47%	41%	35%	12%
	Councillors	97%	82%	76%	48%	53%	23%	13%
I will never do this	TOTAL	2%	1%	4%	10%	3%	8%	14%
	Public	1%	1%	5%	10%	3%	8%	18%
	Businesses	4%	2%	4%	10%	4%	8%	8%
	Councillors	0%	0%	3%	12%	3%	7%	14%

What can help to do more?

SEC was interested in learning what more facilities, services or support could be made available in local areas to help communities address the impacts and effects of Climate Change.

Respondents were presented with several named options with multiple choices permitted. Overall, around half (49%) of all respondents cited '*more energy efficient homes being built*, this option was very popular with councillors where two thirds (65%) ranked it. The second most popular preference, overall, was '*more recycling facilities*' although only a quarter (25%) of Councillors cited it.

- 43% of all respondents cited **increased public transport options**
- 41% of all respondents cited **better cycling and walking routes**
- 41% of all respondents cited **financial assistance to insulate homes**
- 38% of all respondents cited **more electric vehicle charging points**
- 56% of Councillors want increased public transport options



WORKING WITH LONDON

This year South East Councils has been liaising with the Greater London Authority (GLA) to rekindle the Wider South East Dialogue process that had run from 2014 until the onset of the Covid pandemic.

The dialogue gave leaders of South East local authorities an opportunity to meet with the GLA Mayoral team and discuss strategic policy matters of interest and concern – with the shared aim of seeking to underpin economic prosperity across the Wider South East.

In the previous edition of the South East 1,000 monitor (spring 2021), respondents were asked what named topic areas they thought councils in the South East region should work more closely with the GLA on. That exercise has been retained for this edition and will be a regular feature going forward.

- **The latest research reveals that ‘Improving transport links between the two regions’ on 45% has replaced ‘Working together on improving health and social care’ on 44% as the highest preference overall among respondents.**
- **‘Developing initiatives to reduce the impacts of Climate Change’ saw a notable increase, up 5 percentage points since the previous monitor, to 44% overall.**

Within separate cohort preferences, transport links were ranked highest with Councillors (51%) and Businesses (50%). The easing of pandemic restrictions with increasing numbers of people wishing, or needing, to commute may account for a focus being brought again on rail and road links.

For the Public, at 48%, ‘Improving health and social care services’ was ranked as the highest preference within their survey cohort – as it was in fieldwork back in the spring. That could, perhaps, take the form of sharing of best practice and information exchanges.

For the second successive monitor, ‘Housing’ has not, perhaps surprisingly, been a top three focus.

IMPROVING TRANSPORT LINKS BETWEEN THE TWO REGIONS	45%	+4%
Public	41%	
Businesses	50%	
Councillors	51%	
IMPROVING HEALTH AND SOCIAL CARE SERVICES	44%	+1%
Public	48%	
Businesses	46%	
Councillors	30%	
DEVELOPING INITIATIVES TO REDUCE THE IMPACTS OF CLIMATE CHANGE	44%	+5%
Public	41%	
Businesses	46%	
Councillors	47%	
INCREASING HOUSING PROVISION IN THE SOUTH EAST	37%	+4%
Public	37%	
Businesses	39%	
Councillors	32%	

SOCIAL CARE

After years of different governments reflecting on the matter, in September the Prime Minister revealed a plan to reform how adult social care is funded by introducing a new Health and Social Care Levy.

South East Councils has long said that the actual provision of quality, accessible social care is a nationwide challenge best tackled at the more responsive local level. Therefore, as a national priority, social care should not be wholly funded through local Council Tax but other mechanisms.

For the third successive monitor, the greater number of respondents overall (47%) indicated they wanted local councils to have primary responsibility for social care. Within separate cohorts, primary responsibility resting with central government was highest within the public cohort (47%).



47% Local Councils
42% central Government

Primary responsibility for
Social Care?

COMMUNITIES

'Place-shaping' is a term widely used by policymakers, decision-takers and opinion leaders. Of course, 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 affinity.

What is local?

Respondents clearly regard their village, town or city as "local" with over two-thirds (67%) indicating that choice. That is up 2% on the same question in the previous monitor.

	TOTAL	67%	+2%
MY VILLAGE OR TOWN OR CITY	Public	64%	
	Businesses	62%	
	Councillors	80%	
	TOTAL	15%	-5%
MY IMMEDIATE NEIGHBOURHOOD	Public	18%	
	Businesses	13%	
	Councillors	9%	
	TOTAL	12%	+6%
MY COUNTY	Public	12%	
	Businesses	16%	
	Councillors	6%	
	TOTAL	2%	-2%
MY REGION	Public	2%	
	Businesses	2%	
	Councillors	0%	
	TOTAL	2%	-2%

Local affinity and identity

Since the previous monitor in the spring, there has been an increase in respondents saying they do not feel like they have a say over important decisions that affect their area.

Overall, 46% of respondents indicated this - a rise of 7 percentage points on the previous monitor finding.

	TOTAL	AGREE 59%	DISAGREE 19%
I FEEL A STRONG CONNECTION TO MY LOCAL AREA	Public	49%	22%
	Businesses	56%	20%
	Councillors	87%	9%
	TOTAL	73%	11%
I GET ON WELL WITH MY NEIGHBOURS	Public	70%	12%
	Businesses	68%	13%
	Councillors	87%	7%
	TOTAL	64%	14%
I FEEL LIKE I BELONG WHERE I LIVE	Public	57%	16%
	Businesses	61%	15%
	Councillors	86%	8%
	TOTAL	32%	46%
I FEEL LIKE I HAVE A SAY OVER IMPORTANT DECISIONS THAT AFFECT MY AREA	Public	19%	55%
	Businesses	28%	47%
	Councillors	70%	22%
	TOTAL	50%	20%
I THINK THINGS NEED TO CHANGE IN MY AREA	Public	47%	18%
	Businesses	49%	20%
	Councillors	57%	23%
	TOTAL	50%	20%

Financing local government

The pandemic has greatly increased the challenge for local authority leaderships in trying to reconcile expectations for more local services delivery with less resources. Central government has an opportunity, if it wishes to grasp it, to use a national economic 'reset' to provide a stable funding future for councils that can give much needed certainty and a confidence boost to local leaders and officers.

South East Councils holds the view that innovation should play a part in any new approach and each monitor probes respondents views on what, and if, other forms of revenue raising could be utilised at either a local or a regional level.

As with the previous monitor in the spring, respondents, overall, think certain taxes, levies or charges should be set or managed at the national level.

- **Most regard Business Rates as a matter to be set and managed locally (41%) or regionally (25%)**
- **Most see a Tourist Tax as a matter to be set and managed locally (37%) or regionally (25%)**
- **Around half think the Apprenticeship Levy should be set and managed locally (24%) or regionally (26%)**

There is a close split among respondents on Stamp Duty with 47% preferring a national level setting and management, while 41% think setting and management should not be at the centre (21% locally, 20% regionally).

		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	12%	13%	64%
	Public	11%	16%	58%
	Businesses	15%	11%	66%
	Councillors	10%	10%	75%
APPRENTICESHIP TRAINING LEVY	TOTAL	24%	26%	35%
	Public	21%	25%	33%
	Businesses	23%	28%	38%
	Councillors	33%	25%	36%
BUSINESS RATES	TOTAL	41%	25%	23%
	Public	32%	28%	25%
	Businesses	41%	27%	25%
	Councillors	66%	16%	14%
STAMP DUTY (HOUSE TAX)	TOTAL	21%	20%	47%
	Public	19%	20%	44%
	Businesses	21%	24%	48%
	Councillors	25%	17%	53%
AIR PASSENGER DUTY (FLIGHT TAX)	TOTAL	8%	14%	64%
	Public	7%	14%	59%
	Businesses	12%	16%	62%
	Councillors	7%	12%	76%
A LOCAL TOURIST TAX (HOTEL TAX)	TOTAL	37%	25%	20%
	Public	30%	26%	20%
	Businesses	33%	28%	24%
	Councillors	61%	17%	16%

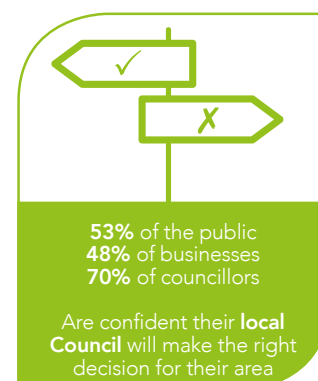
DECISION MAKING

Overall, 56% of all respondents were confident that their local council would make the right decision for their local area.

Throughout the pandemic, local authorities have risen to various challenges, continued to provide essential services and lead local recovery efforts.

In comparison, overall, 44% of all respondents expressed confidence in the UK Government making the right decision for their area.

As they contemplate the future of local government, Ministers may wish to take note of the affinity and confidence local populations have with their local council



SKILLS

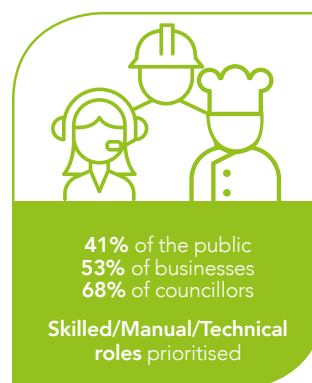
Among respondents overall, **50% want education, training and skills investment prioritised for skilled roles** such as engineers or police officers.

By contrast, overall, **24% want investment prioritised for unskilled roles** such as retail and agricultural workers or cleaners.

Local Employment Market

Respondents were asked to list their top three priorities for investment in their local employment market. (multiple options permitted).

For the third successive regional monitor, the *'training and development of employees'* remained the top preference. Notably, *'providing more childcare'* increased by 9% percentage points on the previous monitor.



TRAINING AND DEVELOPMENT OF EMPLOYEES	56%	+1%
Public	54%	
Businesses	56%	
Councillors	62%	
INCENTIVES TO BUSINESSES TO TAKE ON MORE EMPLOYEES	43%	-7%
Public	43%	
Businesses	47%	
Councillors	37%	
ESTABLISHING BETTER LINKS BETWEEN EDUCATION PROVIDERS AND BUSINESSES	41%	-3%
Public	33%	
Businesses	40%	
Councillors	65%	
INCREASING FLEXIBLE AND PART TIME LEARNING PROVISION	40%	+1%
Public	38%	
Businesses	43%	
Councillors	42%	
PROVIDING MORE CHILDCARE	37%	-9%
Public	39%	
Businesses	34%	
Councillors	39%	
CAREERS ADVICE AND GUIDANCE	22%	-2%
Public	24%	
Businesses	20%	
Councillors	18%	

TRANSPORT

'Reducing transport related carbon emissions to net zero by 2050' remains the highest ranked local priority for respondents overall with 54% ranking it among their top 3 – an increase of 3 percentage points on the same question for the previous South East 1,000 monitor last spring.

The joint second preference, from named options with multiple preferences permitted, was a 'transport network that protects and enhances natural and historic environments' alongside a 'more resilient transport network' with both securing 38% overall.

Closely behind that, on 37% overall, was *'Better integration between land use and transport planning'*.



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



A lot has happened in the past six months since the last regional monitor was published.

A successful vaccine deployment has lifted confidence that the worse Covid problems are maybe behind us. GDP rose by 5.5% in the second quarter and the UK has been on course to see the fastest growth in the G7 this year; 6.7%, though this has to be seen in the context of also having seen one of the deepest slumps among the larger countries. Yet with most restrictions (except international travel) lifted in July we still ended up with a surprise fall in GDP in July by 0.1%. This was followed by a recovery in August of some 0.4% mainly on the back of higher service activity as the fuller 'opening up' unfolded.

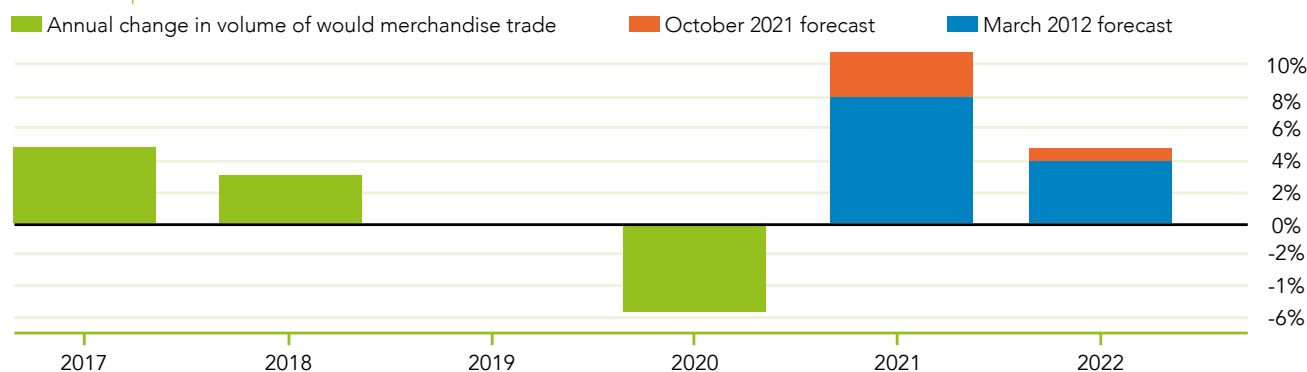
The pace of world recovery has slowed down, led by the USA and China, partly reflecting staff shortages, supply and transport bottlenecks, along with higher input prices, including a surge in oil and gas costs. Severe component shortages have caused scaling back production of manufacturing goods and temporary plant closures in some sectors, most notably cars. At the same time, there have been new Covid surges and new restrictions in places like Japan, Singapore, Australia, New Zealand and at times China. The UK has not been spared with daily new Covid cases three times those of equivalent countries in Europe.

In other words, we are not fully out of this crisis yet. Nevertheless, the IMF forecast for the world economy, though just revised slightly downwards, is still for GDP growth of 5.9% in 2021 and 4.9% in 2022. World merchandise trade fell a lot less than feared in 2020, by 5.3%, and has been rising much faster than expected with the WTO in early October revising its forecast to +10.8% for 2021 and +4.7% for next year. Though there are worries that may throw some of these optimistic expectations off balance.

WTO, October 2021 forecast

Stronger Bounce Back

The WTO expects trade will rebound 10.8% in 2021 and 4.7% in 2022



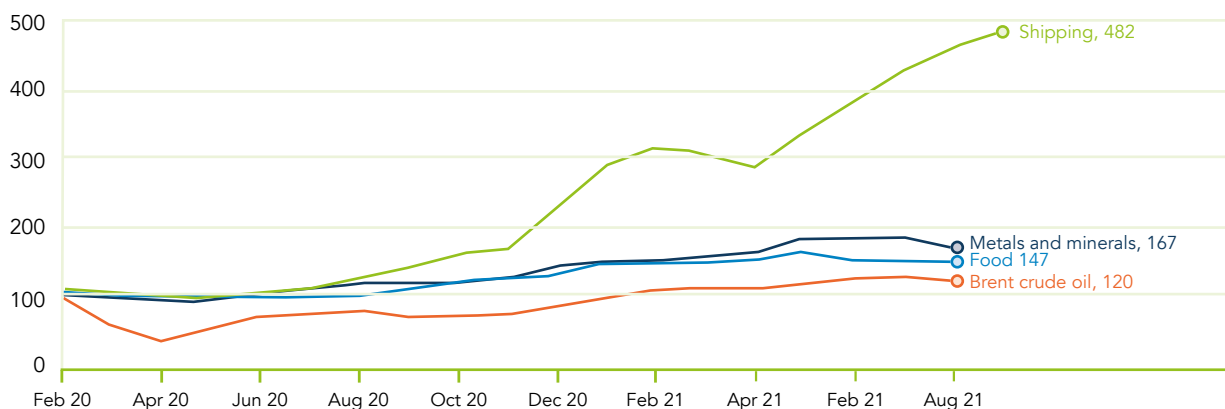
Source: World Trade Organisation

Though services are expanding again, the recent rises in inflation are denting individuals' willingness to spend. In the UK not only are service exports to the EU suffering as a result of Brexit, but retail sales fell in each of the four months to August.

The latest YouGov/CEBR monthly survey shows a renewed fall in consumer confidence. All countries have been hit by the fourfold rise in gas prices, higher electricity costs and oil prices that have risen to above pre-pandemic levels. Sharply higher electricity prices have managed to stall China's growth too in recent months and forcing some energy intensive sectors to cut or even stop production.

Across the world, households are partly shielded by subsidies while here the energy price cap, which is keeping price rises to consumers well below the increase in wholesale prices is leading to the demise of numerous smaller energy suppliers.

Input prices- January 2019=100



Eventually supply will respond, but for the moment, the higher inflation environment seems to be lasting longer than expected.

This has been accentuated in the UK by low gas storage availability alongside more acute staff shortages and supply chain issues than is the case in other European countries due, to a large extent, according to recent analysis by the Organisation for Economic Cooperation and Development (OECD) to Brexit.

The Felixstowe port blockages are a good demonstration of that pressure where shortage of HGV drivers has meant that containers are stoking up in ports and cargo ships are now choosing to go elsewhere; like Rotterdam and then sending shipments as freight in trucks via Dover.

Consumer prices are up 3.1% year- on- year, well above the Bank of England 2% target. Markets have been pricing in a rise in interest rates in the UK well ahead of other G7 countries even though inflation is at over 4% in Germany and above 5% in the US.. The latest forecast by the Office for Budget Responsibility (OBR) at the time of the October 27 budget put the average rate of inflation in 2022 at 4%, implying that there will be months when prices are rising even faster on an annual basis.

For the South East the impacts have been manifold. For the towns and cities that have benefited from staycations, this has been a good summer. For the University towns there will have to be considerable adjustment due to shift in origin of students - latest data suggests that while non- EU admissions have risen by 7%, new EU registrations have fallen by 59% this year. Many of the non-EU are facing travel restrictions of their own and are doing part of the year online from their own countries.

For towns and cities in the South East dependent on airport business and job opportunities, the latest, though still slow easing of travel restrictions is a welcome boost. So is the announcement in the autumn budget of a reduction in domestic air passenger duty- even though it seems to go against the spirit of this year's COP26, hosted by the UK. Interestingly latest data show that although numbers are increasing, the latest weekly average of UK daily flights was still some 56% of the equivalent period in 2019.

For SMEs the cost of exporting to the EU has increased due to the enhanced bureaucracy and checks since the beginning of 2021 and a third of them are reported to have ceased exporting to the EU. The recent decisions to allow foreign hauliers to do almost unrestricted number of pick ups and deliveries in the UK for a period to relieve the HGV crisis is a blow to competitiveness for UK firms which no longer enjoy the same cabotage arrangements on their trips to Europe since we exited the single market.

For businesses across the board the NI increases will have come as a shock and will be viewed as an extra cost to hiring labour just as they are trying to get back to a more sustainable footing. And as has recently been reported, an increase in interest rates when it comes will feed through to about half of the CIBLS loans given to firms at preferential terms during the pandemic. And to this the increased energy and staff bills and the picture starts looking rather bleak.

On the positive side we have seen much better employment figures than what the OBR had forecast back in March. If special factors are excluded, real wages are rising by some 4%-5% per annum- at least just above the rate of inflation for the moment though some of that will be eaten up by tax rises and higher living costs over the coming year.

An end of the pay freeze for public sector workers announced last year is also on the cards though government departments will have to meet that from their own budgets which at least are now expected to rise in real terms through the course of this parliament. And job vacancies are at record levels.

In the week of October 7, according to the ONS, online job adverts were some 140% above their February 2020 level. Not surprisingly most adverts were for transport, logistics and warehouse staff and those had gone up by 380%.

For the South East the benefits of the exodus from the big cities continues to impact on house prices which are booming.

At the same time the price of properties coming to the market jumped by 1.8% in the month of September, the highest monthly rise since October 2015.

The South East has seen an 8.2% rise in prices over the twelve months to September while London has seen the smallest rise. It was the first month since March 2007 that all markets and all regions saw prices move up together to new record highs.

The good news is that the OBR in its latest forecast that accompanied the budget and spending review has upped its growth expectations for this year to 6.5% and for 2022 to 6%. But there are serious worries about disposable incomes coming under squeeze as higher inflation and taxes start to bite.

Moreover recent data suggest that while services are expanding again, the increase in the cost of living is denting individuals' willingness to spend. Retail sales, though generally quite volatile, fell in each of the five months to September and the latest YouGov/CEBR monthly survey showed a renewed decline in consumer confidence.

Finally, the much asked for fundamental business rates review does not seem to be forthcoming any time soon.

Nevertheless there have been some welcome changes including a temporary 50% cut in business rates for hospitality, entertainment and leisure announced in the budget, the freezing of the business rate multiplier for 2022 and 2023 and the adjustment of the frequency of the timing of revaluations from 5 to 3 years. It is estimated that this will save businesses some £4.6b over 5 years.

What will be interesting to see is whether that improved outlook does bring about the sustained uptick in investment by business which is needed on top of the impetus given by the time-limited 'super deduction' tax relief for capital expenditure investment running from April 2021 to March 2023.

Looking ahead, the extra £150bn public spending that the Chancellor announced over the next 3 years is welcome even if this will only be partly reversing the sharp cuts, including to councils' funding, seen since 2010.

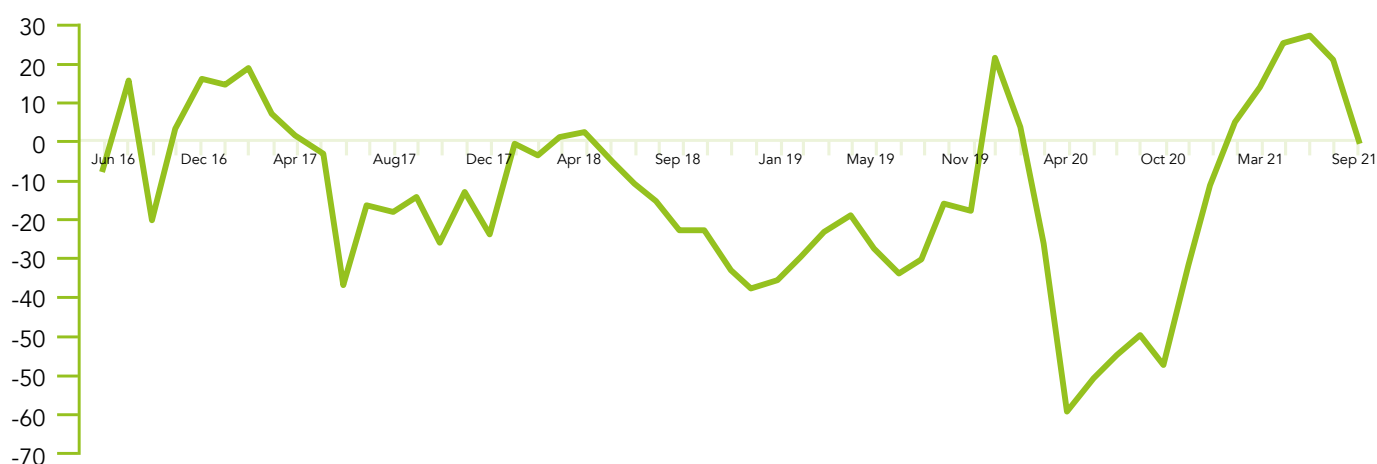
But households and businesses will still have to cope with the pre-announced increase in employee and employer NI, the freezing of income tax thresholds from next financial year which will be bringing many more people into higher tax brackets and the corporation tax hike for larger firms from 19% to 25% from 2023.

For businesses the reaction to the NI hike was overwhelmingly negative as the pre-budget survey from the Institute of Directors (IoD) indicated.

Sharp Fall in business optimism as NI raised

IoD Directors' Economic Confidence Index

How optimistic are you about the wider UK economy over the next 12 months?
(5 points scale from very optimistic to very Pessimistic, net positive %)



DELIVER BETTER TOGETHER

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

SEC aims to provide and act as a unified democratic voice on South East interests to:

- Promote and maintain the South East's position as a leading global economy
- Seek and secure fair funding across the diverse landscape of the region
- Monitor and highlight the economic and social pulse of the region

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

SEC is the secretariat for the All-Party Parliamentary Group for the South East.

We are proud to be an associate member of the Local Government Association (LGA).

For further information on this report please contact

South East Councils (SEC)
First Floor, Council Offices
Argyle Road, Sevenoaks TN13 1HG

W: secouncils.gov.uk

Sean McKee
Director

E: seanmckee@secouncils.gov.uk
T: 07884 252881