

Speaking notes – 12.30-12.40
Cllr David Hodge, Summit Chairman - SUMMIT INTRODUCTION

FINAL Version

Welcome

Welcome to this summit sponsored jointly by SEEC & SESL. I'm delighted to see so many of you here representing local authorities, LEPs, business and central Government.

3 rules for the day:

- First – no fire alarms are expected; fire escapes are marked in case of an emergency.
- Second – please turn your phones to silent or I'll be asking for a £5 donation to charity if they go off.
- Third – your contributions are critical but please keep presentations, questions and comments relevant and to the point.

Opportunities...

We all need to work together to make the most of the opportunities in the South East. Our economic strength and success is vital, not just for our residents and businesses but also for national economic recovery.

The South East's economic track record is exceptional. For over 10 years the South East has paid the treasury more than we've received back in public spending .

The South East contributed – £91.1 billion between 2003-4 and 2009-10, compared to £58.4 billion from London in the same period.

In the past a great deal of public spending has been targeted at areas with poor economic performance. That's important and we shouldn't abandon the idea, but in a struggling economy, Government needs to be smarter with its money and look to the South East where it can get the best return on investment.

City deals can't be the only game in town. Research shows that in 2011, counties and their constituent districts accounted for over 43% of national GVA; 25% came from London and 31% from England's other cities. In 2011 the South East's economy grew 3.1% -- the largest GVA increase in the country.

There's no doubt the South East can deliver on jobs and growth to drive an economic recovery if Government will pool resources and investment to maximise the national potential.

The role of partnerships...

Partnerships are essential in maximising that potential. We all have a role in seizing the opportunities out there – Counties, Districts, Unitaries, LEPs, universities, businesses. Working together we must lead and shape the agenda, not hang back waiting for direction.

LEPs are important players but will only succeed with constructive input from all of us. Counties, in particular, bring the potential to align significant spending power behind shared priorities. Districts' planning responsibilities are an important part of the mix, managing development but can also bring money to the table through CIL and New Homes Bonus.

London and the South East need each other, so we must be working well with Boris and London Councils too. Together we need to make the case for investing in Infrastructure, housing, jobs, skills and transport that will support growth in London and the South East as the UK's two strongest economies.

We must stand tall and strong together, and press forward on the things we know will improve the economy. Central Government has a role to play as well, so we must not be put off by an initial 'no' from government when we raise the question of investment or match funding to help us deliver.

But what about the money?

There will be people out there who will argue the South East is prosperous and doesn't need investment. But that misses the point that in a weak economy Government must invest in areas that offer the strongest return. Simply focusing on low-return projects risks the entire country's wellbeing.

We're not holding out a begging bowl.

What we need is a Government commitment of £ for £ investment, national matching local, to help grow our economy more. The South East competes globally, not with other areas of the UK, and for each £ invested, we offer great return on capital employed.

The Budget offered the prospect of an extra £3bn a year for infrastructure investment from 2015 – Sorry Chancellor, the investment is needed NOW – to ensure an earlier return on capital employed.

The Budget also gave LEPs borrowing allocations, allowing preferential rates on projects agreed with local authorities. That's a step forward but modest, given the combined allocation for all LEPs is £1.5bn.

The question I pose today, who in Government has the vision to unlock the potential of Local Government financial strength?

In Surrey, I'm willing to commit £1bn for my county alone. Match that with £1bn from Government, preferential borrowing and partnership working and we'll start to see significant growth.

I'm not suggesting we leave underperforming areas to struggle but asking for a balanced Government investment portfolio, where some spending is directed to projects that offer the best rates of return .

There are also areas of the South East with high levels of poverty and poor economies. For example, the South East has twice as many children in income deprived homes as the North East. These struggling areas – in the South East and elsewhere – need help, but in the current climate, the Government can't afford to ignore the areas that offer the strongest growth potential.

We're making progress where we can

There are already good examples of local leadership and partnership:

- Apprenticeships are a success story for local authorities working with business to get young people into employment. In Surrey we want 500 new apprenticeships this year and I know that Kent and Buckinghamshire, among others, have similar schemes.
- Surrey Research Park is another success, bringing together hi-tech business and the University of Surrey. The County Council is playing its part by investing £2.5 million to improve transport access and reduce congestion for the 140 companies based there.

So what more is it that the South East needs?

The South East stands ready to develop improved infrastructure, housing, transport, broadband and skills but it needs Government to forge a new partnership .

This new partnership could forge the road and rail links to Southampton from the midlands and beyond; creating a gateway for business, freight and tourists from all over the country. This project has benefits far beyond the South East but doesn't feature on the Government's agenda and is outside the funding reach of local partnerships.

There are many projects like this in the South East - so let's make the case to Government for investing in South East NOW

SEEC is working with the think tank "Localis" to identify other barriers to growth. You can contribute to this and help us make the case for change by taking a few minutes to fill in the Localis questionnaire in your packs. Please hand them in at tea break or at the end of the day.

To conclude:

Your contributions on how we can create a new partnership with Government are vital, to ensure the best return on capital employed but also supporting the wider UK PLC.

We have Q&A sessions during the afternoon where you can ask questions in person – or if you're a bit shy simply write your question on the flipchart and we'll pick it up from there.

Some questions to prompt your thinking during the afternoon:

- How can we work better in partnership to generate economic growth?
- What more could we achieve if LEPs worked with local authorities and others to maximise opportunities for return on capital employed?
- What more can we achieve on apprenticeships?
- What more could we achieve if government matched local investment pound for pound?

Thank You

David Hodge