South East and ‘Global Britain’

Briefing Note – Key Messages

***Levelling up and Global Britain are two sides of the same coin. For levelling up to be sustainable and successful, economic growth and establishing Global Britain need to be successful too.***

***The South East not only has areas in significant need of investment and intervention, but it has a vital part to play in the success of Global Britain. As recognised in the LUWP, the role of the private sector in this is paramount and as such, the role of LEPs in driving this agenda is an important one****.*

* Persistent narrative around the ‘affluent south east’ and moving investment away from London and the South, doesn’t recognise both the significant deprivation within our communities and also our role in driving global Britain - creating growth that will generate revenue to fund levelling up.
* Public investment in levelling up will take time to leverage and generate the growth and jobs that it seeks and if the south is left to retract, then growth will be curtailed. London, the South-East and East of England were the only UK regions, including the nations, to generate net fiscal surpluses in the financial year ending 2020.
* Communities in the Greater South East are the gateway to the global economy, with a huge role to play in increasing trade with the rest of the world and FDI. We have both the business base and the infrastructure with 3 London Airports and several international ports, 3 of which are designated Freeports. With a wealth of manufacturing, green tech and service led businesses, we are well placed to forge and grow new trading relationships, particularly with Europe and Asia.
* Creating and sustaining well paid, private sector jobs in sectors such as ports and logistics, tech, green tech, advanced manufacturing is crucial. Investment in the Greater South East will not only support sector growth in the region, but will also contribute to levelling up across the country by enabling our large employers to expand and invest in other areas of the country.
* Policies like the Freeports will further support job growth, but skilled labour, outside of certain bubbles, remains a restricting issue with acute shortages already in existence across the south. We welcome the LUWP commitment to tackling fundamental issues such as skills. However, many of the policies and missions exclude the South East and fail to recognise the need that exists within this wider region.

Many of our communities are “left far behind” with health outcomes normally associated with least well-off areas of the North East and North West of England. This is often, but not exclusively, linked to coastal deprivation, where sectors like tourism and retail have significantly retracted over decades without being replaced by new sectors offering sustainable, gainful opportunities.

The LUWP recognises that economic and social disparities are often larger within towns, counties or regions than between them, and also that many seaside towns have some of the highest levels of community needs. Yet in many of the twelve missions, our communities are at high risk of being excluded or deprioritised, purely based on them being in the South East.

The convening role that LEPs play between the private, public and academic sectors fosters collaboration and innovation to support economy and sector growth that will ultimately support both Global Britain and Levelling Up. As such we welcome Government’s recognition of our role within the LUWP both in relation to the impact we have made in the past 10 years and of our future value in driving this shared agenda.

Additional points that support responses to the following set Qs:

Analysis of the identified goals of levelling up – ‘the people’s priorities’ – compared with the key issues facing councils in the South East

Where does Levelling Up currently situate the south east region?

1. What are the views within the region on the agenda thus far?
2. How can councils in the South East support export-focused businesses to thrive and deliver business conditions and inward investment opportunities?
* Only **2 of the 55 Education Investment Areas (Hastings and Fenland and East Cambridgeshire) are located within the Catalyst South Area**, despite the pockets of acute need that exist within many of our other local authority areas.
* Greater investment in R&D is welcome, with public investment in industry R&D and university research key to high value economic growth and jobs. However, thecommitment to increasing investment outside of London and the South East, misses the point that outside of the ‘innovation bubbles’ of London, Oxford and Cambridge, investment in R&D is already lower than many other parts of the country. Based on the value of UKRI awards in 2019/20, **all LEPs in Catalyst South already receive less than the national average of £81 per head of working age population, with SELEP receiving the lowest at only £11 per head.**
* **In the South East there are also pressing issues about property affordability and exclusion from the housing markets**. For example, IMD analysis for the EnterpriseM3 LEP highlighted that over 11 times earnings would be needed to afford the average priced house. The cost of accommodation and land in the SE is also a deterrent to investors, who then may choose not to invest in the UK at all.
* Deprived coastal communities also have lower first home ownership and there has been a **big shift towards private sector rentals**. E.g. in many coastal communities in SELEP this is over 30% of all the housing stock; over twice the national average. Whilst we welcome higher standards being introduced in the LUWP, according to reports, 28% already don’t meet the 2015 Decent Homes Standards.
* Also, a **higher than average proportion of this privately rented accommodation is in multiple occupation**. Evidence shows that over 50% of all Houses of Multiple Occupations (HMOs) fail to meet the government’s Decent Homes Standard.
* **The IMD 2019 shows that across the five Catalyst South LEPs in the SE there are 199 neighbourhoods (LSOA level) in are amongst the most deprived 10% neighbourhoods in England.** These communities must be afforded the same support and investment as deprived communities located in other regions of the UK.
* **Across all areas it is important that public investment supports and leverages that from the private sector to create new sustainable jobs**. LEPs have run Growth Hubs for six years, supporting millions of businesses to grow and trade. They are locally driven, locally owned and support local businesses at the heart of economy, ensuring that business support is simpler, more joined up and easier to access. As such they are an excellent example of the effective collaboration with the business sector that LEPs continue to support.
* **Three new Freeports in the Catalyst South area, again supported by LEPs, provide a once-in-a-generation opportunity** to transform the fortunes of the local economies, realising a renaissance of coastal communities, for businesses and residents and providing national hubs for global trade and investment. However, wider investment may well be needed to make these a success, **such as further investment and freedoms around skills and investment in green infrastructure to enable ports to reduce carbon emissions**.
* The convening power of LEPs will be crucial in delivering the business conditions and investment opportunities that will support Global Britain, particularly in the South East. **The Catalyst South area exported £44.2 billion of goods (2020) - 15.2% of the UK’s total; and £46.8 billion of services (2019) – 14.8% of UK’s total.**