

Save South East from crisis to drive national renewal, Localis report argues

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Press release

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Government must use the next Comprehensive Spending Review (CSR) to bring councils in the South East of England back from the brink of looming crisis and restore their strength and capacity to deliver on the national missions, the think-tank Localis has argued.

In a report published today entitled “**Restoration and Resilience: building capacity and capability to deliver local services in the South East**”, Localis reveals that despite its reputation for prosperity, councils serving the 9.2 million people living in the country’s most populous region are experiencing significant financial strain causing a worrying decline in their capacity to deliver vital local services.

According to the Localis study, councils in the South East must gain powers over local public sector recruitment policies and to set more competitive pay scales to attract and retain talent in the region. It further argues they would benefit from devolved control of immigration policy for key roles like care workers and in green skills to address acute workforce shortages made worse since Brexit.

Key findings from the report include:

- **financial strain:** South East councils are facing significant financial pressures, with many resorting to minimum service provision.
- **capacity crisis:** a shortage of skilled staff and outdated workforce practices are hindering service delivery.
- **fragmented governance:** the region's fragmented political landscape hinders effective collaboration and strategic planning.

To address these challenges, the report recommends a series of measures, including:

- strengthening financial governance and strategic leadership
- diversifying revenue streams
- investing in workforce development and capacity building
- promoting collaboration and partnership working
- reforming the funding system
- empowering local authorities through devolution.

Jonathan Werran, chief executive Localis, said: "The South East is a vital economic engine for the UK, but its local government system is under severe strain.

"We need urgent action in the forthcoming finance settlement and longer-term Comprehensive Spending Review settlement to ensure that councils across the South East region have the resources and tools to deliver essential services and drive economic growth and realise the national missions at the level of place."

Sean McKee, director, South East Councils, said: "As ministers ponder structural matters for the South East like devolving powers and council sizes, an additional, crucial issue requiring dedicated focus

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is the local government workforce.

“Government is eager to pursue national missions to foster economic growth and bring social benefit. However, delivering those missions at the local level will require an adequate, skilled cohort of council staff on a range of services.

“The current delivery framework has limits and gaps in several service areas, these need to be addressed before any new responsibilities are bestowed.

“This report offers a timely spotlight on the regional council workforce, noting concerns around retention and recruitment, but also commenting and questioning the how, what, and why, related to enabling the South East region to be part of government’s quest for national renewal.”

Ruth Adams, chief executive, South East Councils, said: “The South East has always been a vibrant and enterprising place and our councils reflect this, and are ambitious to see increased capacity and capability to deliver their ambitions for the region.

“Recruitment and retention of staff together with developing a highly-skilled workforce is a priority for councils and as the regional employers’ organisation for the South East, we are pleased to support this report and to shine a light on these crucial issues.”

ENDS

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Notes to Editors:

- **An advance copy of the report is available for download here:**

The report is being launched at an evening reception taking place at One Great George Street, Westminster on Wednesday 4th December

To register your place please register via this [MS Form](#):

- **About Localis**

Localis is an independent think-tank dedicated to issues related to politics, public service reform and localism. We carry out innovative research, hold events and facilitate an ever growing network of members to stimulate and challenge the current orthodoxy of the governance of the UK.

www.localis.org.uk

- **About South East Councils**

South East Councils (SEC) is a cross-party membership association that works to ensure the South East England region is a great place to live, work and do business.

With most local authorities as members, we seek to provide a unified democratic voice on South East interests.

South East Councils is an associate member of the Local Government Association (LGA).

<https://www.secouncils.gov.uk/>

- **About South East Employers**

SEE is one of the nine regional employers' organisations which represent the interests of local authorities and public sector bodies in England. As the regional employers organisation for the South East, we are independent and not-for-profit. Through our wealth of local knowledge and professional expertise, we add value to our councils and communities and complement the work they do.

<https://www.seemp.co.uk/about/>

- **Key report recommendations**

- Local authorities in the South East should **strengthen financial governance and strategic leadership**.
 - Councillors should deepen their understanding of legal frameworks underpinning financial governance, ensuring full support for Section 151 officers.
- Financial officers should embed ethics and integrity into their financial decision-making and adopt robust conflict of interest management and transparency protocols.
- Officers should utilise data-driven insights, enabling councils to balance immediate demands with long-term sustainability.
- Local authorities in the South East should **strengthen commercial practices and diversify revenues**.
- Commercial activity must be balanced with robust risk management – including clear risk appetites early on in any commercialisation process to safeguard against the dangers of high-risk ventures.
- Councils should adopt structured models to assess commercial maturity, ensuring that commercial strategies remain fundamentally aligned with strategic goals.
- Local authorities should also consider CMLs and other bond-related options to finance projects such as infrastructure upgrades, renewable energy installations, and urban developments.
- South East local authorities must **collaborate in managing public service contracts**.
- Councils should work closely with partners to extract an expansive conception of value-for-money from contracts, particularly by leveraging the provisions of the upcoming Procurement Act.
- By collaborating with other local authorities, councils can pool resources and achieve greater economies of scale in procurement and service delivery.
- South East local authorities must **engage in comprehensive, collaborative, and data-driven strategic workforce planning**.
- Local authorities should undertake regular assessments of their workforce's age distribution, skillsets, and future retirement projections.
- Local authorities should formalise regional partnerships to deliver bespoke training programmes, with county councils well-positioned to manage these initiatives.
- Local authorities should explore a shared staffing framework modelled after WMTemps to reduce their dependency on agency staff and improve workforce stability.
- Given the ageing workforce in local government, councils should develop succession plans for senior roles, including identifying potential internal candidates for leadership positions and setting up structured mentoring programmes.
- Local authorities should work across the region to develop outplacement programmes to mitigate the impact of job losses whilst also addressing skills gaps.
- South East local authorities should **work towards revitalising apprenticeships and training**
- Local authorities should advocate for a more unified approach to make apprenticeship schemes more accessible and cost-effective.
- Councils should collaborate with local businesses and educational institutions to create green and service resilience apprenticeship programmes.
- Councils must begin to **prioritise integrated, resilient, and preventative service models**
- Expand integration efforts by continuing to form cross-body, boundary and sectoral teams to plan, share resources, and deliver services collaboratively
- Engage communities proactively through local surveys, forums, and partnerships with parish councils and community organisations to gather real-time insights into emerging trends.
- Use data analytics to predict service demands, enabling early interventions that prevent escalation.
- Local authorities in the South East must **collaborate on infrastructure and housing delivery**.
- Foster cross-boundary collaborations on strategic planning to ensure cohesive development across local authority borders
- Create local housing and infrastructure funds by establishing housing trusts, developing affordable and social housing, and coordinating with central authorities.
- Align local investments with climate resilience goals by forming cross-council partnerships with

bodies such as the Environment Agency, focusing on flood defences, coastal retreat strategies, and retrofitting.

- Pursue collaborative, cross-authority infrastructure planning, pooling resources and developing regional cooperation frameworks to produce regional and sub-regional infrastructure plans.

Recommendations

Recommendations to local government

Recommendations to central government

- Central government must **push on with and accelerate reform of social care funding**
- Government must expedite its plans for a National Care Service, with clear funding mechanisms to alleviate local authority burdens. Integrating health and social care services, alongside implementing a cap on care costs, will help councils manage growing financial pressures.
- Central government should create a long-term funding stream for social care to allow councils to better allocate resources to other critical areas
- Government should consider **reviving the Fair Funding Review and reset business rates**
- A renewed Fair Funding Review can work towards ensuring that funding allocations reflect present-day needs rather than outdated population and economic models
- A comprehensive reset of business is necessary to address disparities in spending power across regions, particularly in the South East where the current system disadvantages many councils in unique ways.
- The new MHCLG Workforce Development group must be empowered to **provide support measures to address the staffing crisis in local government.**
 - The Apprenticeship Levy should be reformed, allowing councils to charge an administration fee and streamlining funding and support mechanisms.
- Government should invest in regional employment hubs to help scale up efforts to support to councils coordinate workforce planning.
- The impact of employer national insurance contribution rises on council recruitment capacity must also be examined, with targeted discounts and exemptions considered.
- The Spending Review, the English Devolution Bill and the Planning and Infrastructure Bill must work in tandem to **establish and fund mechanisms for cross-boundary spatial planning.**
 - Capital funds should be made available to consortia of councils who can produce plans for the provision of social and genuinely affordable housing.
- Investment vehicles for local infrastructure provision should be supported through central government match funding.

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Additional Assets:

Localis - Restoration and Resilience South East report

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