

# Coast to Capital

**Meeting:** Coast to Capital Board Meeting  
**Date:** Thursday 9 July 2020  
**Report Title:** Strategy  
**Report by:** Kirsten Trussell  
**Item No:** 4  
**Part:** A

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## Recommendation:

To approve the delegation to the Chief Executive of £175,000 from the designated fund, for use on research and investment cases to support regional economic recovery within a changing Government framework.

### 1. Context

At the last formal meeting in March, the Board agreed the creation of a designated fund from Coast to Capital reserves to support the delivery of the business cases to promote our Local Industrial Strategy.

The overall need for the Coast to Capital region to articulate and promote our interests has never been greater, even as the context for this work has changed significantly.

#### i. COVID

Latest estimates forecast a 5.2 percent contraction in global GDP in 2020, and for the UK alone predictions that GDP will drop by 8 percent in 2020 and take at least 3 years to return to 2020 levels. Evidence during the pandemic also shows that our LEP area has been disproportionately hit compared to others in the South East, with Crawley one of the most severely affected places in the UK due to the grounding of our aviation based economy.

We have commissioned Hatch Regeneris to prepare a reliable evidence base of the impact that the crisis is having on our regional economy, working closely with Local Authority and sub-regional partners. This will help us to identify elements of an effective Covid-19 economic recovery plan that will manage the short term social and economic shocks, while also creating a stand out medium to long term vision that will address the pandemic and the major structural weaknesses already identified through our LIS work. This work illustrates our ambition to Government and makes us relevant in the national debate.

## **ii. Catalyst South**

Along with the other Southern LEPs, we have developed a model for a branded vehicle to focus on growth across the wider South East – designed to give us equivalency to the Northern Powerhouse and Midlands Engine brands, and to meet the Government’s manifesto commitment to the development of ‘growth bodies’ for England. This allows us to set a clear context for the importance of the South East in national funding discussion, and to provide a backdrop to the specific needs and challenges of the Coast to Capital economy. A branding model is being developed for the group as a basis for engagement with Government, including in the run-up to the anticipated Devolution White Paper.

Separate provision is made in the 20/21 budget for funding to support this work, which will make no demands on the designated fund.

## **iii. Influencing the National Debate**

The Government is beginning to set out its wider economic strategy in response to COVID, with a summer fiscal event expected in July.

We provided an ambitious and comprehensive response to a recent request from Robert Jenrick, Secretary of State for Housing, Communities and Local Government, for ways of accelerating public investment in response to COVID.

The letter set out how, even before COVID, our economy was stalling and being considered a part of the ‘affluent South East’ has made our area complacent and indistinct from other more prosperous areas. This letter not only sets out to change this perception, but clearly shows that we have worked hard to understand the weaknesses in our economy and to identify the opportunities for investment, both public and private, that will bring about significant growth following a period of recovery.

We are keen to keep the momentum going and the work that we commenced with place experts, Partnering Regeneration Development (PRD), has developed collateral that we will use to explain this agenda in more detail in forthcoming meetings with MPs and Government departments.

## **iv. Leading on Regional Economic Recovery**

All of the issues above are likely to identify priority areas where there will be political support for action by the LEP to promote local growth. This might include the development of business cases for specific projects, or agreement with individual development partners to take forward work identified in the development of our LIS evidence base. With the Board’s mandate, we will use £175,000 of the ‘Designated Fund’ for the period of 1 April to 30 September to take forward investment cases for shorter term recovery initiatives and a number of medium to longer term game changing interventions.

## **2. Next Steps**

We will continue to work closely with Government, particularly through the Local Economic Recovery Group, in order to ensure that the region is able to present itself prominently within an emerging regional economic strategy.

## **3. Diversity Statement**

There are no diversity implications for consideration regarding the recommendations set out in this paper.

## **4. Legal Statement**

There are no legal issues for consideration with this report

## **5. Finance Statement**

There are no other financial considerations.