

Coast to Capital Board Meeting No. 30 14 July 2016	Item No. 30.16
Report Title: Chief Executive Report	
Report by: Jonathan Sharrock	

Recommendation

The Board is asked to consider the items raised in this paper

Housing and Regeneration task force

The task force will meet for the first time on 25 July, with further meetings in the autumn.

We expect a report to be presented to the Board at its November meeting. The Executive Committee will engage with the group in more detail during the preparation of their work. There will be a communication and engagement strategy as part of the work programme, in order to ensure a proper profile for our work.

I have had bilateral meetings with all members of the group, who are well engaged with their mandate and keen to contribute. In order to make sure that the group fully reflects local authorities' statutory responsibilities we have included Yvonne Rees, Chief Executive of Mole Valley DC, as a full member of the task force.

Devolution

We continue to engage fully with the devolution initiatives, most recently through participation in a 3SC Leaders' event on 11 July.

With other LEPs in the South East, we have sent to Robert Goodwill MP the joint study into strategic transport investment in the region and have asked for a meeting to discuss this further with DfT. It is particularly important to clearly articulate how strategic transport investment in our region will drive economic growth, including through the development of a sub-regional transport body for the south of England.

EU referendum

In the light of the decision to leave the European Union, we have been working closely with business and Government partners in order to identify early impacts on businesses in our region and to feed this into Government. We have also updated local MPs on these issues.

Local businesses report varying impact in the early weeks since BREXIT was decided, with the main issues being:

- Importance of continuing to be able to **access labour** from across the EU, both in low skills sectors such as agriculture and in high skill areas such as CDIT;
- A **loss of orders** from other European countries because of a perception that it would be harder to do business in the UK;
- The impact of **the depreciating currency** on input prices;

- A **more cautious approach** to capital investment in anticipation of weakening business sentiment; and
- Concern about medium-term planning for Government support for **research**, where EU programmes have been heavily used

As we build a more sophisticated picture on the impact that BREXIT has on our businesses we will be able to identify the most important issues on which we need to influence Government. At the moment, these include:

- **Supporting high value businesses in our region.** Many international companies (eg Canon, ExxonMobil, American Express) have chosen to base their European HQs in the region and their presence makes a very significant contribution to our economy. Policy decisions on how UK-based firms can continue to access the single market will be very influential on their future investment decisions. Key issues include access to non-UK staff, future passporting rights.
- **Post-EU policy frameworks.** We need to articulate our priorities within policy frameworks that will now be run by the UK Government. On some issues, such as research and development, the challenge will be to complement the EU regime so that we can retain existing operations in our region (eg Ricardo's R&D function). On other issues, we will need to consider new regimes which will address the new challenges of being outside the EU (eg a mechanism for growing high level IT skills which we may no longer be able to recruit from overseas).
- **Airport expansion.** As well as being economically critical, a decision on where to locate the new runway in south east England is now of symbolic importance in showing our commitment to international trade. We will continue to support the Gatwick option.

Separate papers explain the impact on our work on **European Structural Funds** and **International trade and investment**.