

Coast to Capital Board meeting No. 31 22 September 2016	Ref No. 31.17
Report Title: Chief Executive's Report	
Report by: Jonathan Sharrock	
Recommendation: For the Board to consider the issues raised in this paper in order to inform a discussion on strategic challenges for the LEP	

Airport Capacity

All indications are that the Government will take a decision on the best way of providing new airport capacity in the South East before Christmas. The decision will lead quickly to publication of a draft national airports policy. Regardless of the decision there will be a significant consultation on the terms of the decision including on environmental, economic, jobs and transport impacts of the preferred option. This will include a programme of local consultation events in the vicinity of Gatwick and Heathrow. We will need to engage on this and other initiatives, such as the Norris/ Jowell commission being organised by Gatwick Airport. If the decision is in favour of Gatwick then we will need to develop short and medium term work programmes to help make a success of the approach including a clear vision of the wider economic opportunities of an expanded airport.

Brighton Main Line (BML)

Since discussions at Board on the BML in May, significant disruption on Southern caused by industrial action and other issues has had a dramatic and wide ranging impact on both services (only 66% of trains are on time, against a national average of 88%) and on public perception of the railway (overall satisfaction from commuters only 57%). Even hoping for a quick and ordered recovery from this phase, which will in itself take some time, it has become very important to establish and maintain Ministerial focus on the importance of the BML in contributing to our regional and the wider national economy. To that end we have prepared the attached draft letter (Annex A) to send to Chris Grayling which would bring together the LEP and Councils along the line. It would also complement and could be coordinated with lobbying from MPs and the Mayor of London.

Project Delivery

Six months into the financial year, the same pattern on project delivery as we saw last year is beginning to emerge. We have so far only been able to release 7.8% of the £57.2m due to be spent this year. The arrival of our Chief Operating Officer will allow us quickly to form a view on how to deal with delivery bodies which cannot produce a viable business case for their agreed projects, or cannot ensure expenditure to profile. We will need to decide what approach to take in response to requests for funding flexibility how to track delivery of outcomes and how to run a pipeline of contingency projects.

Autumn Statement / Growth Deal 3 (GD3)

We have submitted all information requested by Government in support of GD3 and have initiated lobbying by MPs by sharing details of the bids with them. It appears that we have bid lower than many other LEPs and with a higher associated level of match funding investment and private sector leverage. We will expect to hear the results of the bid at the

Autumn Statement on 23 November. There is no clear sense yet of the context in which this announcement will be made.

Devolution and London plan

Early indications are that the Government will continue its process of English devolution. The 3SC and Greater Brighton bids are both still in play, and 3SC has recently had further discussions with Government on the terms of their proposals. We remain supportive and engaged in both processes. Separately, the Mayor of London is updating his London plan and this may contain proposals which have a bearing outside the Greater London Authority boundary and which would impact on our economy, e.g. on meeting housing targets and on the operation of transport services.

Industrial strategy and Strategic Economic Plan (SEP)

There is a clear intention for Ministers to develop an ambitious industrial strategy in the aftermath of Brexit and several statements have been made that this should have both a sectoral and geographical focus. Jo Johnson MP has been appointed as liaison minister for Coast to Capital as recognition by the new Secretary of State of the importance of the local growth agenda. In order to engage properly with this agenda we will need to refresh our SEP, after the south east airport announcement has been made.

Housing and Regeneration Task Force (HRTF)

The HRTF has now met twice and is on track to produce its advice to the Board at the November meeting. The group has identified four themes which it finds are key to the delivery of more housing and business space in the region: affordability, leadership, infrastructure and meeting demand. The focus of the group is on identifying specific actions which the LEP might take in order to address these, in order to complement the work currently undertaken by business and local government players. We have invited external speakers from industry and politics including Natalie Elphicke, (Chief Executive the Housing and Finance Institute), Lord Matthew Taylor, Steven Norris and Baroness Tessa Jowell and Gavin Barwell MP to engage the group in order to ensure that the emerging recommendations are in line with wider policy and thinking.

Brexit

Further clarity is needed on the likely timescale and work programme around Brexit but it is already clear that the process will provide opportunities to reflect our regional priorities in a national process. We have identified promotion of exports and Foreign Direct Investment as an early priority in order to prepare for a changing trading environment. Eventual regulatory change as we leave the EU also provides a potential opportunity for our major industrial sectors. We will use our SEP and work on industrial strategy to inform this. In the short term, we are coordinating information sharing across the region so that we can identify trends among local businesses in response to the vote. We share this with Government and with local MPs. Liam Fox has begun a dialogue on our role in supporting his Department's work (Annex B) and will we pursue this strongly.

Skills

As the area reviews of Further Education come to an end, Government has made clear that it expects us to have a role in ensuring that these recommendations are delivered. For the Sussex colleges, which finished first, there is a discussion around the best way of commissioning skills and in the importance of long term infrastructure funding. We are working particularly closely with Central Sussex College as discussed previously

Jonathan Sharrock
Chief Executive