

Meeting:	Coast to Capital Board Meeting no. 43
Date:	22 January 2019
Report Title:	Gatwick 360 – Local Industrial Strategy
Report by:	Kirsten Trussell
Item No:	2
Part:	A

Recommendation:

The Board is asked to **note** the update, and **agree** the proposed approach to Coast to Capital's role in contributing to Government preparations for a no deal or no decision Brexit scenario.

Update

There has been good progress in the development of Local Industrial Strategies (LIS) since the last Board meeting. Coast to Capital is included in the third and final wave of negotiations with Government. There were a total of 12 LEPs in the first two Waves (the initial 'trailblazers' and Wave 2) with all remaining 26 LEPs in Wave 3. The aim is for all LISs to be agreed by the end of the 2019/20 financial year.

As we commence our negotiation, feedback from different Government departments is that Gatwick 360° is viewed as a clear and evidence based Strategic Economic Plan (SEP). It has the right focus on productivity and local strengths, including the role of the airport, which will form a solid foundation on which to negotiate and co-produce our LIS with Government.

We have made early steps in developing a delivery programme for the LIS. Resource constraints will be eased by the recent release of additional Government funding to deliver this work. Early progress against the eight priorities in *Gatwick 360°* is summarised in the Chief Executives report. Highlights include the creation of the Skills 360° Board, discussions with Network Rail on the Digital Spine and the engagement of Districts and Boroughs around Gatwick on local plans.

Future priorities include developing an effective programme management approach to the LIS work, understanding Government's approach better, deepening our evidence base and responding to Government feedback, and improving our engagement with local authorities and businesses as the work develops.

Leaving the EU

It is clear that development of LIS's risks being significantly delayed by any failure to agree the terms of the UK's departure from the EU. This is because of the significant impact that no deal contingency planning and response will have on Ministerial and official priorities, as well as fiscal uncertainties including the transition out of the EU structural funds and other spending programmes.

Government is keen that LEPs, including our Growth Hubs, should work proactively in our local areas in order to gather intelligence on business's preparations for and response to different Brexit scenarios.

We recommend that our approach should be based on the following principles, with the goal of raising our region's profile in national considerations around the impacts of Brexit:

- **Resource re-prioritisation.** We will prioritise resources within the Growth Hub and Strategy and Policy teams to ensure that this work is prioritised ahead of business as usual and LIS progress
- **Regular communication.** We will aim to meet Government's expectations (when they are clear) on regular updates, in a clear and consistent format. This will also be shared with the Board and more widely through our communications strategy
- **Strategic coherence.** We will develop a report based on the analysis of *Gatwick 360°* to maximise a wider understanding of our regional economy and the narratives of our SEP. This will help identify the strategic drivers of areas where a hard Brexit might have particular threats or opportunities
- **Scenario planning.** We will endeavour to apply any planned Brexit scenarios to our understanding of the regional economy based on Government advice
- **Case studies.** There is particular interest in sharing the planning and experiences of local businesses to give Ministers a clear understanding of preparation for different Brexit scenarios.
- **Coordination amongst partners.** We will adopt appropriate coordination with business representative organisations and local authorities to ensure that there is an appropriate level of coordination within the region. Some companies will already be working with their national trade associations and we will avoid duplication of this.
- **Contingency planning.** We will review our response planning in the event of major corporate failure, or wider economic distress within the region. We will prepare contingencies for the use of LGF underspend or the business growth grants to support this.

In summary, we propose to consider a no-deal Brexit scenario as a prelude to eventual LIS negotiations and a further opportunity to show regional leadership on any economic issues that arise from it.