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Freeports Team, Area D, Floor 5,
Department for International Trade, 3 Whitehall Place, London, SW1A 2HP

3rd July 2020

Freeports consultation – written response

Dear Freeports Team,

Thank you for providing the opportunity for Coast to Capital Local Enterprise Partnership (LEP) to share its thoughts on the UK's plan for freeports. Due to the technical nature of much of this consultation, Coast to Capital has taken the view that our feedback on these proposals is most succinctly conveyed through a written response of this kind.

Context

Coast to Capital is a business-led collaboration between private, public and education sectors across a diverse area which includes East Surrey, Greater Brighton and West Sussex. Our purpose is to shape regional economic priorities, improve business productivity, and make investments that will drive growth.

In the six years since Coast to Capital was formed, we have successfully invested more than £300 million of public money in local infrastructure, and generated a significant return in the growth of the local economy. Our regional success as the 7th largest UK LEP economy has been dependent on the presence of major towns and cities and Gatwick airport. As the UK's second largest and the busiest single runway airport in the world, Gatwick contributes £5.3bn to UK GDP and employees 24,000 directly on site, supporting 85,000 UK jobs in total.

Presently, the emerging economic picture is that ours is an area deeply affected by the COVID-19 pandemic. Our research is estimating a GVA net loss of £9.8b (17%) between 2019 and 2020, based on the Office for Budget Responsibility Coronavirus Reference Scenario, and which is higher than the national average (13%). The necessary restriction of movement needed to control the virus means that air traffic at Gatwick airport has declined more than 99% since the beginning of lockdown, with Crawley identified early on by Centre for Cities as the place most exposed by Coronavirus, reflecting its reliance on the aviation sector and economy for jobs.

It is clear that recovery and future prosperity for our area will require sufficient economic stimulus to drive rapid productivity growth to levels higher even than those before Coronavirus. We have recently outlined a clear and deliverable plan of this nature in a letter to the Secretary of State for Housing, Communities, and Local Government. We therefore support in principle any initiatives that aim to bring placed based financial incentives to stimulate growth, such as Enterprise Zones previously and now with proposals for freeports.

We agree with the proposed objectives as stated, to establish freeports as national hubs for global trade and investment; promote regeneration and job creation; and create hotbeds of innovation.

With regards to trade and investment, we believe freeports offer a compelling opportunity to strengthen the economy through the promotion of greater goods trade. In addition to Gatwick our region contains a number of ports and airports, including Shoreham Port, that may benefit from freeport status.

Regeneration and job creation must be linked also to skills provision. Despite Crawley having had the highest productivity per head in our area it is also one of our most deprived areas with significantly lower resident skills level, as we also see within communities in a number of towns positioned along our coast.

The need to stimulate innovation around ports and airports is an issue we fully recognise. Whilst there is a dynamic private sector environment in Crawley and other areas surrounding Gatwick airport, the need to create a sophisticated innovation ecosystem connected to higher education, particularly in Crawley and the Manor Royal Business District, is something we are working hard to promote and create.

In summary, the objectives for freeports closely align with Coast to Capital's own priorities for the local economy which are detailed in our strategic economic plan (Gatwick 360°), our work toward a Local Industrial Strategy, and our current research and action planning toward economic recovery from Coronavirus.

As noted in the consultation document, successful delivery of these objectives will require collaboration across the private, public and education sectors. We ask you to

consider the views of others on the more detailed, many technical aspects of the consultation to ensure that freeport development and operation would support the aims and objectives.

We look forward to further developments in freeports policy as they come forward.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'K. Trussell', with a stylized flourish at the end.

Kirsten Trussell

Head of Strategy and Policy