South East LEP Local Industrial Strategy

Modelling Future Connectivity

Thematic Workshop

5 November 2019

Agenda

13:45 – 14:15   Registration & Coffee
14:15 – 14:25   Welcome, introductions and context
14:25 – 15.00   Introduction to LIS and key findings from the Evidence Base
15.00 – 15.15   Coffee
15.15 – 16.10   Determining the strategic opportunities and solutions
16.10 – 16.45   Prioritisation for the LIS
16.45 – 17:00   Final remarks and next steps

Welcome, introductions and aims

Introduction to the LIS and key findings from the Evidence Base

National Industrial Strategy (2017)
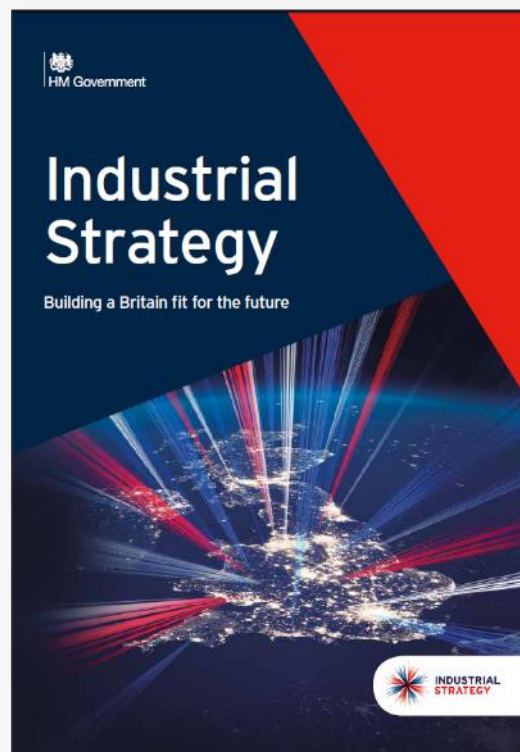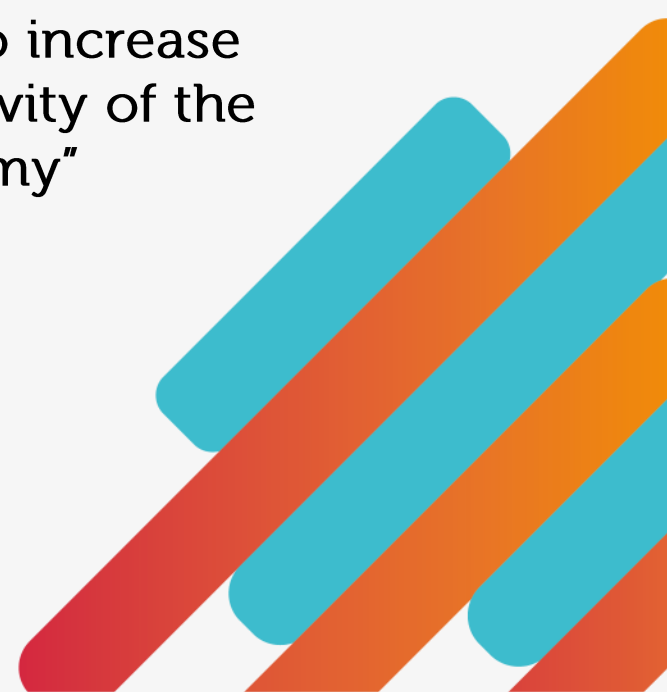
What is a LIS?

- Local development and ownership, jointly agreed with government

- Take a long term view (2030)

- Supported by robust and open evidence

- Align to national industrial strategy

  - Actively apply 5 foundations of productivity

  - Think about 'Grand Challenges' where relevant

- Must be actionable to mobilise resource

- Guide future government funding streams and local investment

"Local Industrial Strategies should set out clearly defined objectives to increase the productivity of the local economy"

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- A future looking local strategy, feeding into the government's Industrial Strategy

- An evidence-led strategy highlighting specific strengths and opportunities that could achieve greater productivity impact

- Support and underpin the allocation of future government growth funding

- A mechanism through which private, public and other partners agree productivity-generating, long term ambitions for the area

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- An economic plan for SELEP, including lists of potential projects

- Replacement for other local economic policy or plans, but better coordinating and aligning them at a LEP level for greater gains

- A bidding document in itself

- An exclusively public sector strategy for growth

The five foundations of productivity

5 foundations of productivity

Ideas
the world's most innovative economy

People
good jobs and greater earning power for all

Infrastructure
a major upgrade to the UK's infrastructure

Business environment
the best place to start and grow a business

Places
prosperous communities across the UK

Grand Challenges

- Anticipating future economic trends and opportunities

- How can SELEP exploit opportunities presented through the Grand Challenges?

- Does the local economy already offer, or could credibly generate, opportunities for local experimentation and innovation?

- Do local conditions present a strong case for national investment?

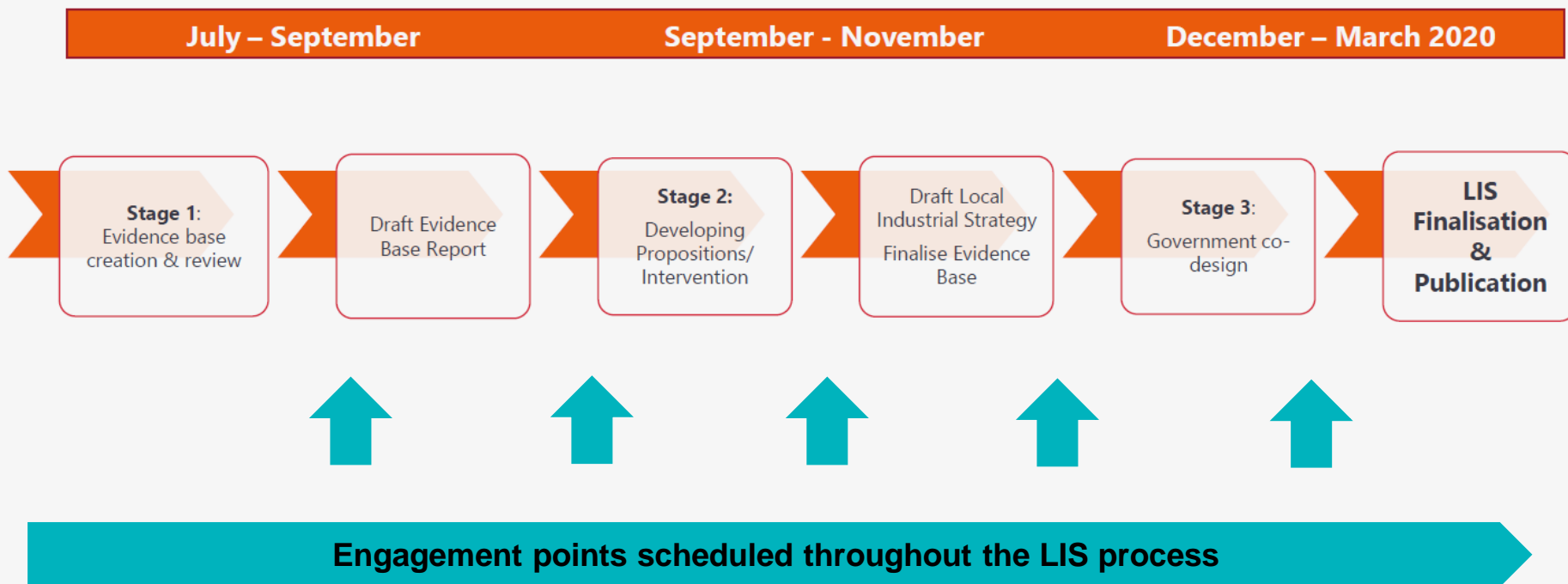
Future of Mobility

Ageing Society

Artificial Intelligence

Clean Growth

Emerging cross-cutting themes

Emerging themes for SELEP LIS

1. Building new communities for the future

3. Accelerating business productivity and growth

2. Modelling future connectivity

4. Maximising natural assets

- Physical and digital infrastructure is critical to the function and efficiency of the economy in terms of:

    - Connectivity – access to markets and labour

    - Capacity – ability to move goods/services cost-effectively

    - Reliability – functionality (for users and supply chains)

- Influences business and investment decisions about where to locate, and supports delivery of new development (linked to building new communities theme)

- Provide opportunities to embed more sustainable lifestyles

    - Using innovation to alleviate pressure on infrastructure

    - Embed clean growth principles, and support wellbeing and healthy living

Points for exploration

1. How can infrastructure improve economic performance and the region's role as a gateway for the UK?

2. What are the solutions to the identified challenges in terms of both physical and digital connectivity?

3. Where can the use of innovative technologies provide opportunities to grow new sectors as well as enhancing the productive capacity of the region?

4. What are the opportunities to develop our skills and workforce capabilities, promote clean growth and support inclusive communities?
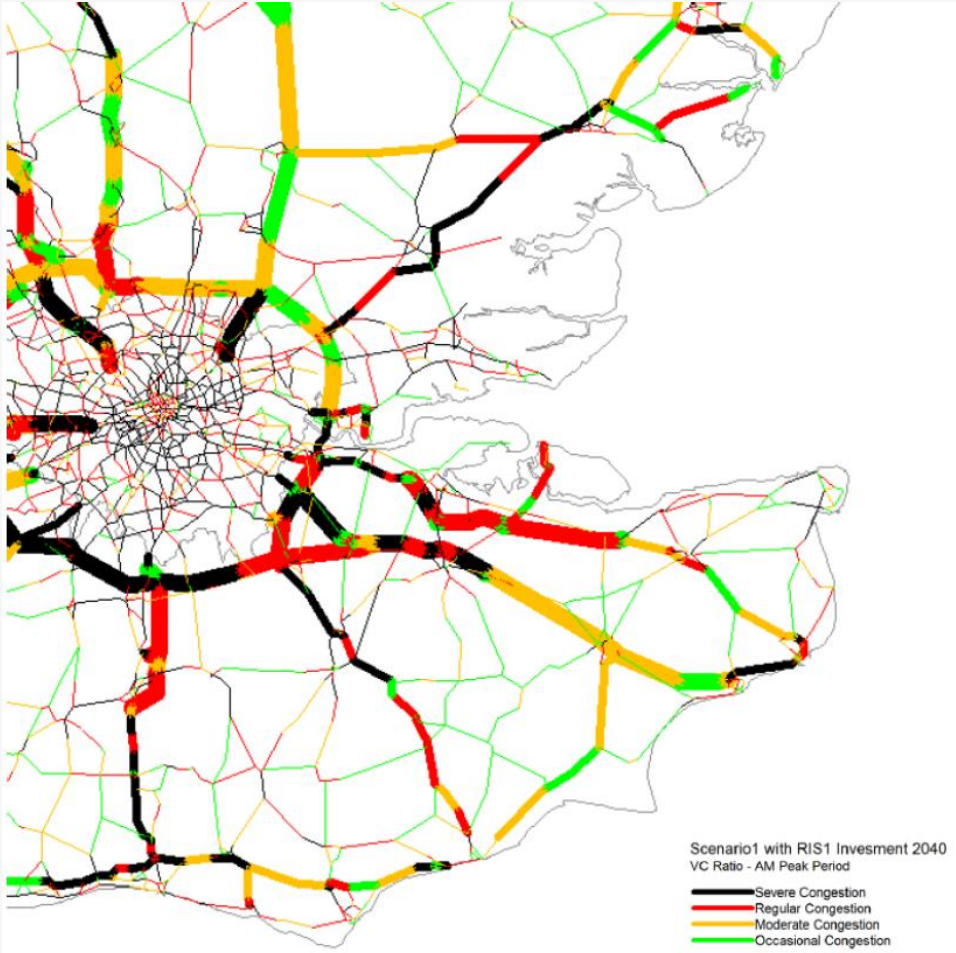
South East as a gateway region

- SELEP is highly significant from a national infrastructure point of view:

    - two of London's airports

    - major ports

    - UK's only rail connection to continental Europe

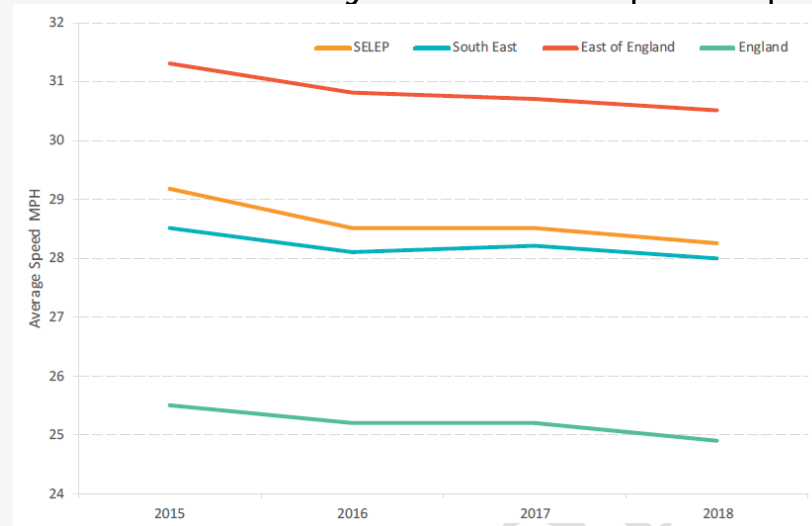   - extensive strategic road and rail network
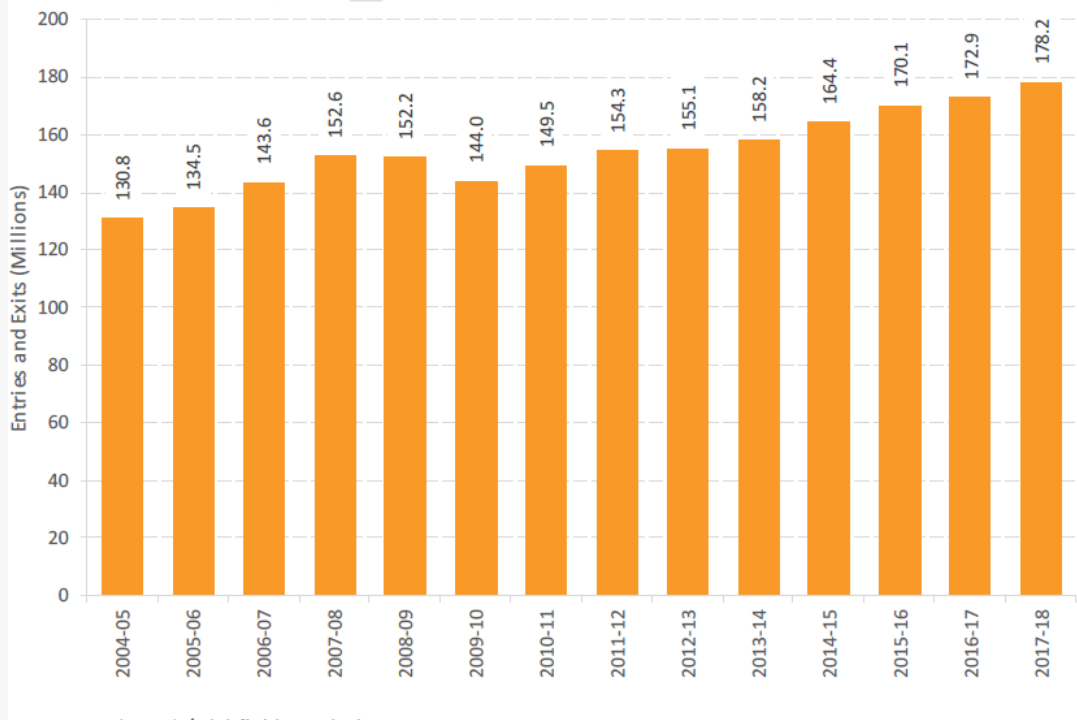
SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

- SELEP's local road network performs relatively well in headline terms with average speeds on SELEP's 'A' roads exceeding the national average –

- Reducing speeds over recent years due to increased congestion on A roads and motorways. Network 'pinch points' will

Scenario1 with RIS1 Invesment 2040
VC Ratio - AM Peak Period

■ Severe Congestion
■ Regular Congestion
■ Moderate Congestion
■ Occasional Congestion

- The South East rail network is the busiest and most congested in the country, connecting the capital and its southern and southeastern suburbs with Kent, Surrey, Sussex and Europe.

- Further investment required to enhance connections, particularly to coastal communities, to address congested commuter routes

- Need to plan for serve population growth and the establishment of planned new communities

SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

| Airport	Air Traffic Movements		Passengers	
	Number (2017)	% Change (2007-2017)	Number (2017)	% Change (2007-2017)
Southend	11,000	1175.9%	1,100,000	2113.5%
Stansted	172,000	-10.2%	25,900,000	9.0%
Lydd	*	*	*	*
Belfast	42,000	-19.8%	5,800,000	11.5%
Birmingham	112,000	7.0%	13,000,000	42.1%
Bristol	63,000	7.8%	8,200,000	39.9%
Edinburgh	122,000	5.7%	13,400,000	48.4%
Gatwick	282,000	8.9%	45,600,000	29.5%
Glasgow	89,000	-5.1%	9,900,000	13.4%
Heathrow	474,000	-0.4%	78,000,000	14.9%
Luton	106,000	27.3%	16,000,000	61.2%
Manchester	194,000	-5.8%	27,800,000	26.8%
Newcastle	44,000	-24.8%	5,300,000	-5.8%

- SELEP makes a vital contribution to the UK's international connectivity through air connections:

  - London Stansted

  - London Southend

- Proximity to Gatwick Airport where future growth is planned
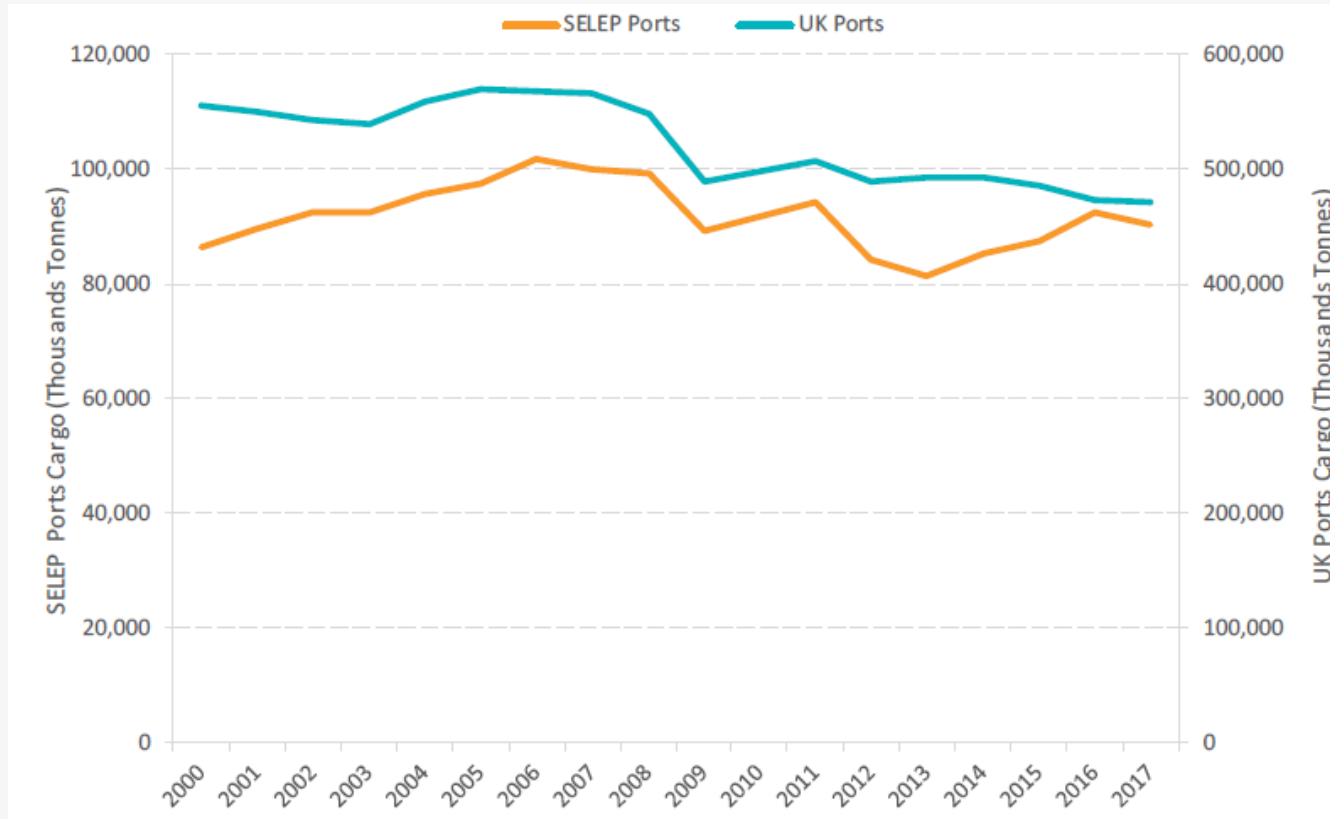
Ports

- Strategically-important port infrastructure, and the volume of international passenger and freight movements this supports

- Volume of freight has increased, underpinning importance of transport and logistics sector

- Opportunities to develop ports and associated activities
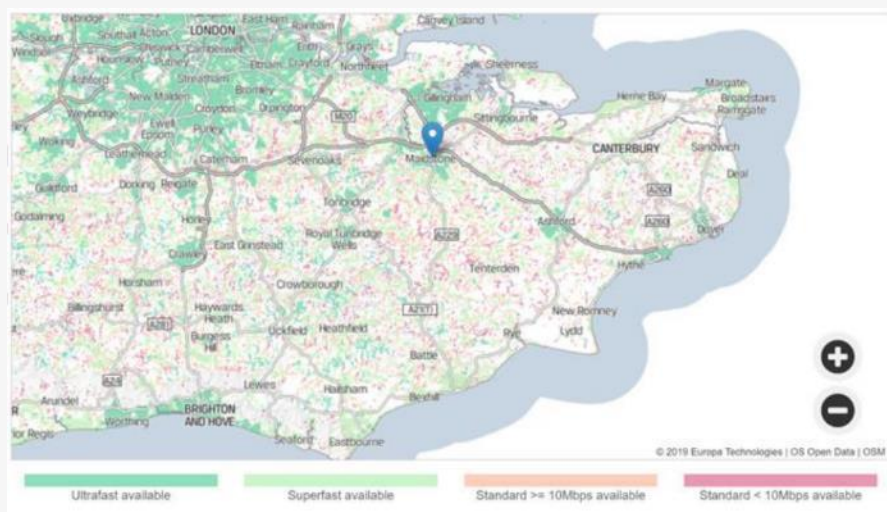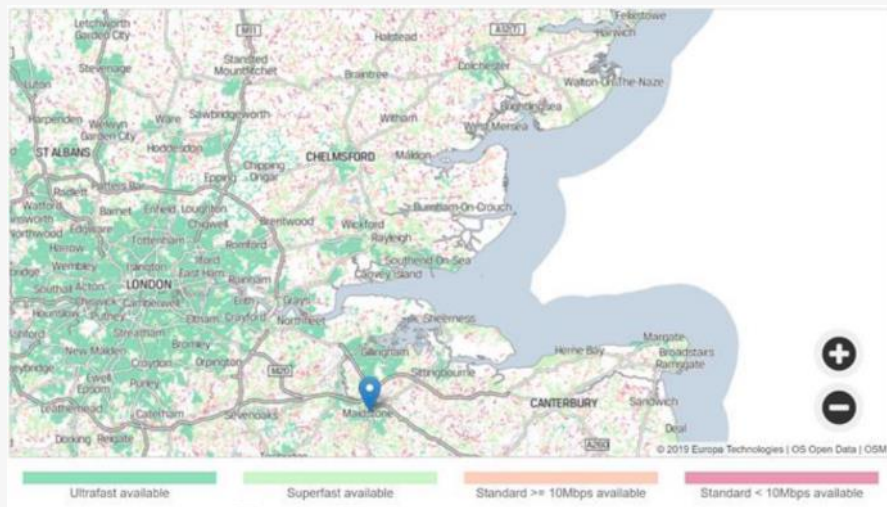
- Fastest broadband speeds in the SELEP area are generally found in and around the main urban areas

- Broadband coverage in the more rural areas of the LEP is poorer; however, most residents have access to at least standard broadband connections with speeds of over 10Mbps

- Similar pattern in terms of mobile data coverage

Demographic trends impacting demand
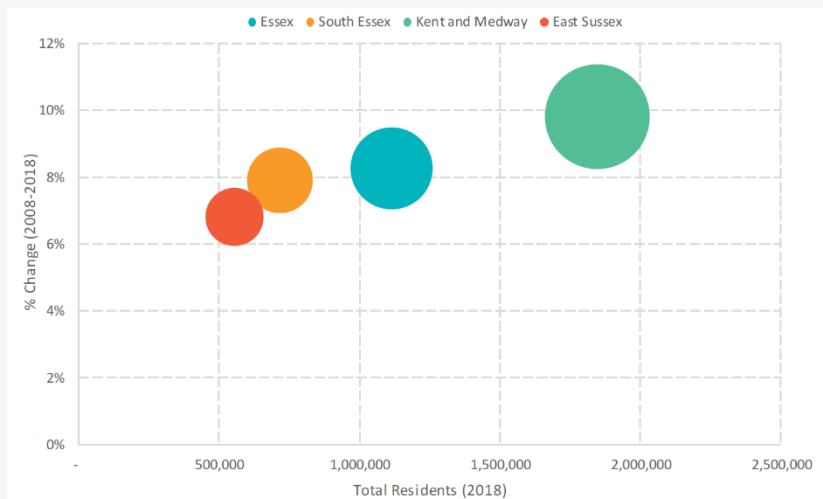
- Total population within SELEP numbered 4.2m in 2018, representing 6.4% of the UK total.

- Population growth of by 8.7% over the last 10 years, highest rate of growth within Kent & Medway

- Latest government projections indicate that SELEP's population is expected to continue to grow, by c.450,000 people (10.6%) between 2018 and 2030

- Retaining skilled people & young families to live and work in the area

- Ageing population – adaptive living, leisure & cultural activities

- Transport is the single biggest contributor to UK greenhouse gas emissions and the majority of those come from private cars. Only sector whose contribution continues to grow while others reduce theirs.

- Need to make better use of existing infrastructure – look for short-term, targeted investment to relieve pinch-points alongside new technology as the best and most effective ways to address short-term capacity and connectivity challenges.

- Catering for forecast road traffic growth in the long term is not sustainable –need to focus on reducing the need to travel, particularly by private car, to reduce the impact of transport on people and the environment.

- Consider large-scale investment in public transport and ensure that new and emerging technology is used to its full potential to boost connectivity.

- Promote more joined up planning, particularly between transport and housing, to help build more sustainable communities. Encourage

Potential proposition

"SELEP wants to deliver on strategic infrastructure that creates an environment where all businesses can be more productive, significantly enhancing the area's GVA."

Grand Challenges:

Clean Growth
Future of Mobility
A.I.& Data

Productivity Foundations:

Infrastructure
Business Environment
Place

SELEP USPs:

International gateway
New communities

1. Unlock infrastructure investment to increase region-wide connectivity and ambitions of key growth corridors

   - Support a comprehensive 'current' and 'future state' assessment of connectivity factors across the SELEP area, including:

     - Major development projects and planned new communities

     - Accessibility of labour to meet the needs of business and key sectors

     - Opportunities for technology (including digital) and wider drivers of the future of mobility

   - Ensure alignment with LIS priorities in relation to delivery of projects which enhance connectivity, and work with government to increase funding for identified strategic priorities within the South East

2. Maximise the South East's role as the UK's global gateway

    • Explore ways to expand the role that ports can play in enabling the South East to be a catalyst for new enterprise and international trade

    • Identify and support strategic opportunities to help stimulate economic growth linked to international markets, including:

        • improved road and rail access to international ports/airports, existing major infrastructure and other economic assets

        • specific sectors and clusters linked to trade and foreign direct investment

        • explore potential demand management policies to improve the efficiency of the transport network and incentivise investment in sustainable alternatives

    • Facilitate cross-channel cooperation to progress shared priorities after Brexit

Key tests:

- Clearly linked to improving the **productivity** and growth potential of the region

- Offer **distinctive** solutions that respond to our particular strengths and opportunities

- **Realistic** and deliverable, with clear implementation plan

Developing our solutions

1. Are the ideas and solutions the right ones, are there others?

2. What ideas and solutions do we want to focus on for the LIS in order to drive productivity growth?

3. Have we addressed skills and workforce capabilities, promotion of clean growth and support for inclusive communities?

- Ongoing stakeholder engagement and discussion

- Refine and supplement the evidence base

- Work up the priorities, propositions and proposed interventions

- Drafting LIS strategy and co-design with government