

**Coast to  
Capital**



**Horsham  
District  
Council**



**MoleValley**  
District Council

**Reigate & Banstead**  
BOROUGH COUNCIL  
Banstead | Horley | Redhill | Reigate



**Tandridge**  
District Council



Rt Hon Rishi Sunak MP  
Chancellor of the Exchequer  
11 Downing Street  
London, SW1A 2AA

May 2020

## **COVID-19 – DRIVING CRAWLEY & THE GATWICK DIAMOND'S ECONOMIC AREA'S RECOVERY**

The ongoing COVID-19 pandemic is having a dramatic impact on the whole of the UK, but it is becoming clear that some sectors and some places will be harder hit than others. Aviation is undoubtedly one of the sectors that is worst affected, with significant impacts nationally, regionally and for those places with significant economic dependencies on airports and their supply chains in their locality. Regrettably, this means that Crawley and the other council areas that make up the wider Gatwick Diamond Economic Area are severely impacted.

The Gatwick Diamond Economic Area is a dynamic and innovative business location and includes areas in West Sussex and East Surrey. Traditionally, it is one of the strongest regional economies in the UK, performing well above the national average on a range of different economic indicators such as levels of productivity, share of high-growth skilled jobs. The Gatwick Diamond has a strong track record of attracting foreign investment.

Gatwick Airport is at the heart of the Gatwick Diamond economy and is a significant driver of growth for the regional economy. As a major employer and at the centre of a complex network of supply chains, Gatwick Airport is key to the economic prosperity of the area. Gatwick Airport is the single largest private sector investor in our economy – with an annual capital budget of around £200m which drives a large amount of economic activity here. The salaries sustained by employment at the Gatwick site also provide an invaluable contribution to the local consumer economy. Extensive research undertaken in 2016 by Oxford Economics suggested that the airport accounted for an economic footprint of 85,000 jobs and £5.3 billion towards GDP.

### *Impact of the lockdown*

The Centre for Cities has recently published a [report](#) which predicts the area is the most exposed locality to the economic impact of the pandemic. The report has identified over half of the jobs in Crawley are either in vulnerable or very

vulnerable sectors. The same conclusion will apply to other smaller towns in close proximity of the airport which rely heavily on its presence for employment directly or through its supply chain. Crawley, as the home of Gatwick Airport and Manor Royal Business District (the largest of its type in the South East), has the highest share of employees in the aviation and aircraft manufacturing industry of any borough in the country. Around 18% of Crawley's workforce is employed in the aviation industry and related sectors compared to an average of around 1% across British cities. The result is that over half of all of Crawley's jobs are at risk of being either furloughed or lost completely. Gatwick Airport has already lost 200 jobs as it seeks to protect the business against the impact of Covid-19. British Airways is reviewing its operation at the airport and Virgin Atlantic have announced that they are ending their operation. Many more will follow if the crisis in aviation continues and airlines make decisions to reduce their UK operations.

The reliance on the airport and aviation sector has implications for how quickly the Gatwick Diamond is likely to bounce back after the crisis. Gatwick has warned it expects it to take up to four years for demand for flights to fully recover from the coronavirus pandemic whilst the Coast to Capital LEP estimates that the wider aviation sector, which has deep roots across our region, could face an up to £8 billion hit across the coming year putting further jobs at risk. It is not only the economic impact that is of concern, but the social impact on communities and individual wellbeing that will flow from the job losses and business closures.

Further with any investment plans put on hold, such as the Gatwick expansion and airspace modernisation programme, communities in the locality will be unable to understand the benefits that increased flights could mitigate climate change in the long term.

### *Recovery*

We recognise and welcome the unprecedented Government support for businesses during the pandemic. Going forward, Government must tailor its recovery plans to reflect that some sectors and some places will have been worst effected than others. It is imperative that Government prioritises supporting the recovery phase in areas which have been hardest hit by the lockdown such as Crawley and the wider Gatwick Diamond Economic Area.

We acknowledge that Crawley Borough Council has written separately to you, setting out how Government could support the town. We understand the need to focus on the impacts on the town, but, given the importance of Gatwick to the regional and national economy, we will need to go beyond a local response: regional coordination between all the key players will be required if we are to genuinely successful.

Gatwick Diamond partners have long track record of working together with Gatwick and collaborating across the economy. We are well placed to work with Government to lead the recovery and now need to begin to focus on renewal in the widest sense: economic, social, environmental. We therefore want to work with Government to develop a bespoke plan for the recovery in the short,

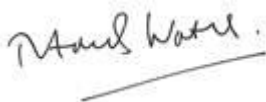
medium and longer term, to ensure that we create the best conditions to allow the economy to rebound and thrive, and jobs to return.

In developing this plan, it is essential that we discuss with you the type of business relief and structural investment required to mitigate these risks to the Gatwick Diamond economy and to facilitate future economic recovery – but we also need to focus on improving skills and ensuring future employability.

We believe that it is important to focus on the future. The Gatwick Diamond partners stand ready to work together with other partners, including Government, to make the region more resilient to future economic shocks while also improve social mobility – and would welcome the opportunity to meet with you to discuss.

We are copying this letter to the Secretary of State for Transport and all Gatwick Diamond Economic Area MPs.

Yours sincerely,



Chairman, Coast 2 Capital Local Enterprise Partnership



Leader, Horsham District Council



Leader, Mid Sussex District Council



Leader, Mole Valley District Council



Leader, Reigate and Banstead Borough Council



Leader, Surrey County Council



Leader, Tandridge District Council



Leader, West Sussex County Council