

Supporting Information and Impact Assessment

Service / Policy:	Economic Strategy 2017-2022
Executive Lead:	Mayor Gordon Oliver
Director / Assistant Director:	Kevin Mowat

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Section 1: Background Information

1.	<p>What is the proposal / issue?</p> <p>It is proposed that the Economic Strategy 2017-2022 is adopted by Council to replace the Economic Strategy 2013-2018.</p> <p>The adoption of the new Economic Strategy is essential for the future growth of Torbay's economy. The revised Economic Strategy provides a 5 year plan for growing the area's economy with a clear action plan focussing on sustainable productive growth. This plan also informs the community and partners including the Heart of the SW LEP of the ambitions and opportunities within Torbay.</p> <p>Delivery of the plan will support the Council's corporate plan creating new jobs, investing in the infrastructure of the Torbay, improving the productivity of the local authority and supporting the Council by providing new assets which will generate new rental and business rate income.</p>
2.	<p>What is the current situation?</p> <p>Torbay's economy</p> <p>Economy</p> <ul style="list-style-type: none">• Gross Value Added (GVA) in Torbay was £2.08B in 2015. It has grown on average 1.2% per year over the past 10 years.• In 2015 GVA per head in Torbay was £15,600, 38.5% lower than the UK average. The gap in GVA per head across Torbay compared to the UK has widened over the past 10 years; however GVA per worker is over £40,000 and puts Torbay ahead of its neighbours.• Gross Domestic Household Income (GDHI) in Torbay was £16,525 in 2014, around 92% of the UK average. <p>Business and Enterprise</p> <ul style="list-style-type: none">• In 2015, the number of active businesses in Torbay was 4,010, up 9% compared to 5 years ago.

	<ul style="list-style-type: none"> • Survival rates of businesses in Torbay exceed the national average over the first 2 years of trading; however survival rates drop below the national average in the third year indicating greater business intervention is required to support businesses medium term growth. • Overseas tourist's figures have been steadily rising, up 11.1% from 2010. • Torbay has seen a 40.7% decline in public sector employment over the past 5 years. • Health, finance and hi-tech are growing sectors with emerging opportunities for growth and collaboration. <p>People & Communities</p> <ul style="list-style-type: none"> • Torbay's demographic is 'greying'. The change in Torbay's demography shows greatest decline in 30-44 year olds, while the proportion of the population aged 65-79 is increasing. • Full time average weekly resident earnings (£443.30) are higher in Torbay compared to workplace earnings (£421.80) indicating that some residents working outside the Bay are realising higher wages. . • Torbay is a net contributor of labour to the wider regional economy with over 4,386 workers migrating out of Torbay for employment in 2011. <p>Housing Stock</p> <ul style="list-style-type: none"> • Since 2012, 1,459 new houses have been built in Torbay and the Council has an aspiration to accelerate the rate of delivery through the Local Plan and emerging proposals for a Housing Development Company. <p>Commercial Property Prices</p> <ul style="list-style-type: none"> • Office and industrial property prices are notably higher in both Exeter and Plymouth compared to Torbay, partly due to the lack of new commercial property stock being developed in Torbay.
<p>3.</p>	<p>What options have been considered?</p> <p>The only option which has been considered is the revision of the Economic Strategy, at Torbay Council's request.</p>
<p>4.</p>	<p>How does this proposal support the ambitions, principles and delivery of the Corporate Plan 2015-19?</p> <p>The revised Economic Strategy explicitly supports the delivery of a prosperous economy as stated within the Corporate Plan. The Strategy</p>

	<p>specifically seeks to:</p> <ol style="list-style-type: none"> 1. Continue to create the environment to grow businesses and jobs 2. Accelerate the development of employment space 3. Raise skills levels within the workforce 4. Deliver the town centre regeneration programme 5. Support the Council in its role as corporate parent
<p>5.</p>	<p>Who will be affected by this proposal and who do you need to consult with?</p> <p>A clear economic strategy setting out the economic regeneration aims of Torbay will improve the economic performance of the area and benefit all groups within the Bay. This will build upon some of our recent successes including:</p> <ul style="list-style-type: none"> • Secured £8m funding from LEP, EU Funding and Coastal Communities Funding for the Electronics & Photonics Innovation Centre • Secured £2m funding from the LEP to unlock Claylands employment site • Delivering the successful MADE pilot project supporting over 1900 students • Set up and ran the Pop-up Shop helping nearly 50 businesses to test retail as a route to market; 10 businesses subsequently went on to open their own shop <p>The strategy has been subject to a five week consultation. As part of the consultation the public, businesses, key stakeholders and members were engaged. Consultation feedback has been incorporated into the current version.</p> <p>It was a recommendation from Overview and Scrutiny that the strategy removed reference to the Helipad. Following the recent MEG meeting, the action has been amended setting out that the project will remain in the strategy but will be delivered by the private sector, with no input/resources from the Council.</p>
<p>5.</p>	<p>How does this proposal contribute towards the Council's responsibilities as corporate parents?</p> <p>The Strategy recognises that there are increasing opportunities in Torbay, and across the South West, to access higher learning and associated employment opportunities. The Strategy supports the Council's commitment to developing a robust education/employment pathway to maximise those opportunities for our young people. Within this, care leavers and children in our care will be a particular priority.</p> <p>There is a specific action in the Strategy to prioritise our looked after children and care leavers within the activities under the people and skills theme such as:</p> <ul style="list-style-type: none"> • Commissioning a Ready for Work training scheme which will be targeted towards our deprived areas and our care leavers

	<ul style="list-style-type: none">• Organise a minimum of 1 Jobs Fair a year to help match young people, unemployed and underemployed with live vacancies• Use National Apprenticeship Week as a signature event to bring together employers, schools, education providers and young people together• Deliver a business start-up programme targeted at those most in need including care leavers and unemployed
6.	<p>How does this proposal tackle deprivation?</p> <p>The Strategy will build upon Torbay's strengths to deliver economic growth, tackle inequality and create change in the area that benefits everyone who lives here.</p> <p>It recognises Torbay has areas of real deprivation and action is needed to address this. Some of these actions can be seen in section 5.</p>

Section 2: Implications and Impact Assessment

7. What are the financial and legal implications?

The strategy assumes that TDA will directly deliver (or commission where other organisations are able to deliver them more efficiently or effectively) the activities identified within the Economic Strategy, as per the commissioning agreement between Torbay Council and TDA.

The strategy proposes a range of capital and revenue projects, where capital investment is sought from Torbay Council that will be subject to specific business cases. Delivery of the strategy will require the Council to prioritise bids to appropriate grant funding sources for both capital and revenue projects to support achievement of the outcomes.

Successful delivery will require continuation of funding for the TDA's economic development team to provide the necessary capacity to be able to deliver the actions, work with partners and attract grant funding.

8. What are the risks?

The revised Economic Strategy will set out Torbay Council's key priorities and objectives for growing and developing the local economy over the next 5 years.

Risk description	Result	Impact	Mitigation
Insufficient budget	Insufficient budget to deliver all actions	Failure to deliver the full scope/ all actions within the Economic Strategy	Cost profile out each action, seek external funding, prioritise actions
Lack of expertise/ skills in specific activities	Require greater resource to deliver some actions	Lead to under delivery of actions	Monitor delivery of actions, commission certain actions which can be delivered more effectively by a third party
Under delivery of Economic Strategy	Fail to deliver upon the objectives identified within the Economic Strategy	Fail to improve Torbay's economy and deliver upon Torbay Council's Corporate Plan.	Close partnership working and monitoring of actions.

<p>9.</p>	<p>Public Services Value (Social Value) Act 2012</p> <p>The TDA has an established and successful track record of delivering economic development activities on behalf of Torbay Council. (see attached recent case studies)</p>
<p>10.</p>	<p>What evidence / data / research have you gathered in relation to this proposal?</p> <p>In-depth desktop and primary research has taken place to build a robust evidence base, in order to help shape the actions and priorities within the revised Economic Strategy, these include:</p> <ul style="list-style-type: none"> • Official national and local statistics • Industry surveys • Aftercare company visits <p>This information has been captured in an Evidence Base document appended with this report. Additional qualitative input from local strategic companies, and consultation of the strategy have helped shape the proposal.</p>
<p>11.</p>	<p>What are key findings from the consultation you have carried out?</p> <p>Qualitative intelligence through Aftercare meetings with strategic companies across Torbay has been used to help shape the draft Economic Strategy and develop the action plan.</p> <p>Feedback from the consultation highlighted the need for a greater focus on place based regeneration, ambition, greater links to the Council’s corporate parenting role, and need to be more visually appealing.</p> <p>The consultation showed strong support for the objectives set out in the strategy:</p> <ul style="list-style-type: none"> • Deliver a successful town centre regeneration programme • Continue to create an environment in which businesses and jobs can grow • Accelerate the development of employment space geared to business needs • Raise the skills level and broaden the skills base within the workforce <p>More specifically:</p> <ul style="list-style-type: none"> • Our businesses are looking to grow and need more space to grow into • Schools want to see better connection with businesses. This has started to develop with the MADE project but needs to be maintained to have the desired long term impact. • Businesses need expert business advice from business advisors to help them start up and grow. • Getting the right skills remains an issue for businesses • The state of our town centres not only impacts upon our visitor economy

	but businesses tell us it is also impacting upon their ability to recruit skilled workers.
12.	Amendments to Proposal / Mitigating Actions N/A

Equality Impacts

13	Identify the potential positive and negative impacts on specific groups			
		Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
	Older or younger people	A key objective of the revised Economic Strategy is to improve standards of living and prosperity, by raising skills levels and creating new jobs.		
	People with caring Responsibilities	The aims and objectives of the revised Economic Strategy apply across the whole of the community within Torbay. It does not exclude those with care responsibilities.		
	People with a disability	The aims and objectives of the revised Economic Strategy apply across the whole of the community within Torbay. It does not exclude those with a disability. One of the key actions is to develop a work programme to encourage those furthest from the labour market.		
	Women or men	The revised Economic Strategy focuses on the growth and development of the local		

	economy, by providing equal opportunities for both men and women.		
People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>	The aims and objectives of the revised Economic Strategy apply across the whole of the community within Torbay. The draft Economic Strategy does not exclude individuals based on their ethnic background. The Strategy encourages equal opportunities, by raising skill levels and improving standards of living.		
Religion or belief (including lack of belief)	The aims and objectives of the revised Economic Strategy apply across the whole of the community within Torbay. The draft economic strategy does not exclude individuals or members of the community based on their beliefs or lack of beliefs.		
People who are lesbian, gay or bisexual	The aims and objectives of the revised Economic Strategy apply across the board and is not prejudice to sexual orientation.		
People who are	The aims and objectives of the		

transgendered	revised Economic Strategy apply across the whole of the community within Torbay, they do not differentiate between transgender and non-transgender individuals.		
People who are in a marriage or civil partnership	The aims and objectives of the revised Economic Strategy apply across the whole of the community within Torbay. They apply equally to individuals who are married, in a civil partnership or single.		
Women who are pregnant / on maternity leave	The aims and objectives of the revised Economic Strategy apply across the whole of the community within Torbay. They apply equally to individuals who are pregnant, on maternity or paternity leave, along with those who are not.		
Socio-economic impacts (Including impact on child poverty issues and deprivation)	The core objectives of the revised Economic Strategy are to improve living standards and improve prosperity. The Economic Strategy aims to achieve this by creating more jobs and raising skills levels, in turn reducing deprivation.		
Public Health impacts	The Economic Strategy has a		

	(How will your proposal impact on the general health of the population of Torbay)	specific action to help those furthest from the labour market to develop the skills to get back into work.		
14	Cumulative Impacts – Council wide (proposed changes elsewhere which might worsen the impacts identified above)	The revised Economic Strategy forms part of Torbay Council’s Policy Document Framework. The Strategy aligns with the corporate priorities.		
15	Cumulative Impacts – Other public services (proposed changes elsewhere which might worsen the impacts identified above)	The Economic Strategy embraces and complements corporate priorities. It is not expected that there will be negative impacts upon current services.		