

Meeting: Council

Date: 16 July 2020

Wards Affected: All

Report Title: TDA Business Plan 2025

Is the decision a key decision? Yes

When does the decision need to be implemented?

Cabinet Member Contact Details: Cllr Swithin Long, Cabinet member for Regeneration, Tourism and Housing

Supporting Officer Contact Details: Alan Denby, Director of Economic Strategy, alan.denby@tda.uk.net 01803 208671

1. Proposal and Introduction

- 1.1 Established in 2011 and known as TDA, Torbay Economic Development Company Limited (TEDC Ltd) is responsible for promoting economic development, physical regeneration and business growth within the Borough of Torbay, together with the provision of other services across the South West of England. These other services provide the company with surpluses and working capital.
- 1.2 TDA is a wholly owned and controlled subsidiary of Torbay Council and was set up to deliver a coherent programme of economic development and increase the pace of delivery of regeneration. It was established to increase both public and private sector investment; provide more job opportunities and facilitate better business development and engagement. This social purpose is supported by delivery of a variety of services on a commercial basis with clients coming from across the public sector alongside the operation and development of property.

2. Reason for Proposal and associated financial commitments

- 2.1 The existing business plan for TDA was approved in late 2016 and progress against that plan is set out in the business plan 2020-2025. Broadly progress has been good however TDA's board requested that the plan is refreshed to take into account that progress and the Council's requirement for TDA to assume responsibility for the housing company aspirations.
- 2.2 The attached business plan has been developed by TDA taking into account feedback from the Council Leader and Cabinet informally alongside the operational direction from the Council's commissioning officers. The business plan has been

endorsed now by TDA's board and the Council's support as the shareholder in TDA is now sought. The plan has also been reviewed to take into account the impact on the business as a consequence of the Covid 19 pandemic with several changes now having been made to reflect the increased uncertainty around the economy alongside certain of TDA's commercial services. This uncertainty is expected to bring some additional risks and opportunities.

- 2.3 The plan as presented is predicated, financially, on assumptions which include the housing company (development & rental) beginning operation in the first year of the plan alongside acquiring another professional services business. Other assumptions are set out in the Finance section of the business plan.
 - 2.4 Councillors will note that the plan contains a consolidated forecast of the group financial position rather than separate income, expenditure and profit forecasts for TEDC Ltd, individual services or subsidiaries.
 - 2.5 The business plan includes ambitious commercial performance targets. Increasing the intensity and range of TDA's social purpose, supporting the economic development of Torbay, is absolutely reliant on improving commercial performance. TDA will therefore seek to bring forward a business case for a loan from Torbay Council to TDA to allow the company to grow and to accelerate the achievement of the strategic objectives set out in the business plan. A loan would be subject to a separate decision and business case and would likely be used for acquisition and development of sites and assets which will in turn fund greater economic development and regeneration delivery giving more social value for the shareholder.
 - 2.6 TDA will continue to work with the Community and seek out best practice from the Cooperative Council's Innovation Network.
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3. Recommendation(s) / Proposed Decision

- (i) To approve the TDA business plan 2020-2025.
- (ii) That the TDA business plan is removed from the Council policy framework.

Appendices

Exempt Appendix 1: TDA Business Plan 2020-25

Section 1: Background Information

1.	<p>What is the proposal / issue?</p> <p>TDA is Torbay Council's wholly owned economic development company. The purpose of TDA is to deliver economic development and regeneration for the borough of Torbay. TDA also provides a range of property related services for the Council and for other clients. The business plan sets out how the commercial direction for TDA will develop.</p>
2.	<p>What is the current situation?</p> <p>TDA's business plan requires updating following the request for TDA to take responsibility for housing delivery on behalf of Torbay Council.</p>
3.	<p>What options have been considered?</p> <p>The only alternative would be for the existing business plan to be left to run its course till 2021 however because of the impact of housing related activity this option is not viable.</p>
4.	<p>What is the relationship with the priorities within the Partnership Memorandum and the Council's Principles?</p> <p>The business plan supports TDA in delivering for the Council while there are sustained financial pressures to the council and growing requirement for the area to improve its economic performance. The plan therefore supports using reducing resources to best effect.</p>
5.	<p>How does this proposal/issue contribute towards the Council's responsibilities as corporate parents?</p> <p>There are few direct impacts through the plan but in delivering its activity TDA works with Children's Services and is promoting opportunities for care leavers through skills and apprenticeship work. TDA is also working with schools in Torbay to widen work experience opportunities.</p>

6.	<p>How does this proposal/issue tackle poverty, deprivation and vulnerability?</p> <p>There are no direct impacts from the plan, TDA's work around the economy is determined by the Council's corporate plan and economic strategy.</p>
7.	<p>How does the proposal/issue impact on people with learning disabilities?</p> <p><i>None</i></p>
8.	<p>Who will be affected by this proposal and who do you need to consult with? How will the Council engage with the community? How can the Council empower the community?</p> <p>There has been consultation with the Council at member and officer level alongside TDA board.</p>

Section 2: Implications and Impact Assessment

9.	<p>What are the financial and legal implications?</p> <p>No legal implications, the Council is being asked to extend a loan facility to TDA repaid at an interest rate to be determined.</p>
10.	<p>What are the risks?</p> <p>Set out in business plan.</p>
11.	<p>Public Services Value (Social Value) Act 2012</p>
12.	<p>What evidence / data / research have you gathered in relation to this proposal?</p> <p>Set out in business plan.</p>
13.	<p>What are key findings from the consultation you have carried out?</p>
14.	<p>Amendments to Proposal / Mitigating Actions</p> <p>The business plan has been developed through four versions taking into account feedback at each stage.</p>