
Overview & Scrutiny

Subject: Torbay economy – pandemic response

Contact details: alan.denby@torbay.gov.uk

Name: Alan Denby, Divisional Director of Economy, Environment and Infrastructure

Background

To support the Council's ambition for a thriving economy and thriving people Torbay's Overview and Scrutiny Board has requested to better understand what actions have been taken to address the impact of the pandemic on the residents of Torbay and the impact that they have had.

The Board particularly wants to understand what employability support has been delivered in light of their awareness of the issues being experienced across the community for instance with the impact of the closure of Midas and what opportunity forthcoming Government funding programmes such as Levelling Up and the UK Shared Prosperity Fund might present to Torbay.

In the summer of 2020 the Council developed a Covid recovery and repositioning plan that set out areas of focus for the Council and partners across Torbay, including the business community, to help mitigate against the predicted economic impact of the pandemic, the repositioning plan is available <https://www.torbay.gov.uk/council/policies/economic-regeneration/economic-strategy/>.

Areas of activity included;

- Supporting businesses to access covid grants
- Supporting the tourism sector, including at the regional level with Heart of the South West and Great South West
- Reopening the High Streets Safely and Welcome Back Fund
- A focus on using Torbay's distinctive economic opportunities through the Electronics Photonics Innovation Centre (EPIC)
- Securing additional investment from Government through the Getting Building Fund enabling works at Edginswell, Lymington Rd and EPIC
- Businesses started and supported

Recognising that there were already skills and employability issues hindering Torbay's economic progress other areas of focused activity included;

- Ready for Work Programme

Ready for Work is an employment ready programme developed to help those outside of the labour market back into work. [Motiv8](#) were commissioned in 2019 to develop and deliver the programme that is now in its 3rd year. The programme is based on the following model:



Initially contracted for 2 years, the programme aimed to support 132 people through the programme with 77 finding employment. Unsurprisingly, the pandemic impacted the programme however Motiv8 adapted and moved on-line to ensure continued delivery. Despite this challenge, the programme supported 97 people helping 52 into employment (54% conversion rate). Over half of the people supported came from Torbay's most deprived areas.

Following an evaluation, the programme was extended in Oct 2021 for a further 12 months. The evaluation highlighted the positive impact the Motiv8 team had on the clients which helped to raise confidence and ultimately job success for many of the clients. However it also identified that a broader engagement with stakeholders was needed as there was too much reliance on DWP referrals.

Now in its 3rd year, the programme is aiming to support 116 people through the programme with 64 people finding work (paid or voluntary) or undertaking further training.

- Kickstart

This is a government funded programme offering 18-24 year olds 6 months' work experience with an employer. This programme has now closed.

Only employers offering over 30 work experience placements could apply direct to enter the programme. Employers with fewer placements had to apply through a Gateway Employer; TDA was one of the organisations locally that fulfilled this role. The first application was submitted in October 2020 and the last one in December 2021 when the application process closed.

In total, TDA submitted 8 applications on behalf of over 100 employers. 80 employers were successful. Of these, 48 have recruited, 16 have on-going vacancies and 16 employers deciding not to recruit or have struggled to recruit. 83 work placements have been created. TDA continues to support employers and is working to ensure that as many young people as possible convert their work experience into permanent work.

- **Build Torbay**

Given the recent success with Town Deal and Future High Streets Fund, Torbay will see significant capital investment requiring increased construction labour to ensure delivery. Prior to these successful bids, challenges around recruitment into this sector was recognised. As a result, TDA has created a new role to:

- work with employers and schools to raise aspiration in construction careers
- help primarily tier 1 contractors to fill vacancies
- ensure as many capital projects as possible have employment and skills plans (ESP's) in place that will deliver work experience, training, apprenticeships and jobs

- **Sector Pathway**

Through the Towns Deal, funding has been allocated to support skills development activity in construction, tourism and photonics. This is supporting some of the Build Torbay activity and has scope to support careers advice and development for our young people and further enhance the work currently on-going within the photonics sector where a new degree course is being developed. An action plan is currently in development that will set out this activity further.

On behalf of the Council, TDA has started the process of revising Torbay's Economic Strategy. To support this, an updated evidence base has been developed and is shared with this paper for wider context.

The Economic Strategy will be evidence led, and this evidence base, together with business and stakeholder consultation, will shape the recommendations made to Council in respect of a further developed strategy.

The evidence base is drawn mainly from national data sets and what is known of the local economy through the networks that exist across Torbay and the intelligence gathered through TDA's aftercare programme which sees 30-40 businesses visited to get deeper information on their growth plans, the challenges they face and to help understand the dynamics of the local economy.

While the April report to the Board is not principally about the economic strategy with a separate briefing to the Board on this to follow for meeting later in the spring Board members may want to note that an area of focus is deepening the contribution from the business community with TDA looking for further information and intelligence. To that end TDA has reached out to Devon Chamber who regularly run business surveys with their members. The data gathered is used to inform discussions with Government. Devon Chamber have offered to distribute their survey through Torbay's Chambers of Commerce and collate the results at a Torbay level.

Key points to note from the evidence base are:

- Torbay is home to circa 136,218 people, nearly half of which (49.4%) are aged 50 or over. The lowest representation comes from ages 16 to 24, accounting for around 8%.
- Torbay's workforce has decreased 2.1% from 2015 to 2020.

- Torbay deprivation is worsening with 27.4% of the population living in the country's most deprived areas.
- Torbay continues to have high level of part time work in comparison to regional and national averages.
- 9% of residents have no qualifications, 29.4% are classified as graduates but this figure is notably lower than regional and national averages. Torbay now falls behind regional and national average across all NVQ levels.
- Photonics and microelectronics sector continues to grow, creating high skilled jobs for local people. GVA in this sector is twice the Torbay average.
- Torbay's fishing industry remains important, landing circa £31M value of fish, supporting 499 jobs.
- Superfast broadband is available across 95.3% of the area.
- In 2021 the unemployment rate was 2.3% the lowest it has been for five years. Long term unemployed and youth unemployment figures are falling.
- Vacancy rates are at the highest level for 5 years and significantly exceed the number of people looking for work.
- There is a mismatch between the skills employers need and the skills employees offer.
- Collective performance of Torbay's schools has improved since 2019 however the attainment gap between disadvantaged and non-disadvantaged pupils has grown.

The evidence base highlights some well know challenges facing Torbay' economy, as well as some new ones.

Activity is already underway to address some of these challenges and these are referenced on page 1. However we anticipate the refresh of the Economic Strategy will identify further interventions and actions to compliment ongoing activity. Whilst there are some significant challenges that need addressing, capitalising on our success is equally as important. Funding secured from the Torquay Town Deal and Future High Street's Fund will start to revitalise these town centres and momentum needs to be maintained.

To address the breath of activity that Torbay needs to have effectively delivered the Council has been successful in securing funds from a variety of funding calls over the past two years including Future High Streets Fund, Towns Fund, Cultural Development Fund and more.

Forthcoming programmes including the Levelling Up Fund Round 2 and UK Shared Prosperity Fund will present further opportunities for Torbay to bid, competitively, for funding. Following the disappointment of not being successful in Levelling Up round 1, we will provide an update on the feedback we have received from Government on that application and what it is thought to mean for a future round 2 application alongside an update on what is known in respect of the [UK Shared Prosperity Fund](#).