

**Meeting:** Cabinet    **Date:** 12<sup>th</sup> July 2022

**Wards affected:** All wards

**Report Title:** Torbay Economic Growth Strategy & Action Plan

**When does the decision need to be implemented?** 12<sup>th</sup> July 2022

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## 1. Purpose of Report

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- 1.1 This report introduces the draft Economic Growth Strategy 2030 which provides direction for Torbay Council and its partners responsible for championing Torbay and delivering with its communities in respect of the economic development of the place.
- 1.2 Torbay Council, through TDA, has been delivering the Economic Repositioning Plan for 2 years. The Plan was developed in response to the Covid 19 Pandemic and whilst several actions remain relevant, the challenges facing the economy are now more pronounced. As a result, a new Strategy is required that will address these new challenges, build upon our successes, and drive Torbay's economy forward.
- 1.3 The extent of the challenges facing Torbay's economy, suggest that there is a compelling argument for economic growth to be the strategic priority for the Council in the coming years given the risk that a failing economy presents for education, health and other outcomes.
- 1.4 Since the Repositioning Plan was approved Torbay has secured significant capital funding that will catalyse change and growth in Torquay and Paignton, complementing private investment and allowing for a refocused strategy.
- 1.5 Like the preceding Economic Strategies, this new Strategy will be evidence led. To support this, a revised Evidence Base document has been developed that will inform the new strategy (see appendix 1).
- 1.6 Recognising the complexity of the issues leading to slower growth and ultimately resulting in poorer outcomes and experiences for the community this report recommends that the

strategy set an ambition for the longer term, to 2030. This longer time frame, with a clear vision that communities and partners can endorse and support, is underpinned by shorter term actions and indicators that are subject to review at a period to be determined by Cabinet.

## Current Position

- 1.7 Deyton Bell, an economic development consultancy, has undertaken a review of the evidence base (appended) and national policy. They have also consulted with key stakeholders and businesses across Torbay. This included one-to-one meetings, a questionnaire which returned over 50 responses, and attendance at pre-arranged group meetings, such as the Torbay Hi Tech Cluster and Torbay Business Forum. Deyton Bell have now produced the consultation draft of economic strategy and action plan which is appended to this report.
- 1.7 The Strategy identifies 4 priority areas that through partnership working and taking a long term view we can make necessary interventions to support the local economy and its businesses. These priorities are underpinned by an action plan which sets out the initiatives that will enable growth across Torbay.

The proposed priorities are:

- Supporting innovators, entrepreneurs and business owners

We will work with local business networks and key businesses to ensure that the Torbay economy is successful. We will welcome entrepreneurs, innovators and social enterprises and will develop programmes and projects that will ensure that the economy offers the conditions for businesses to thrive.

- Building on our economic specialisms

Our key sectors play a key role in delivering growth and providing employment opportunities for Torbay residents. This strategy is seeking to build on the foundations which are already in place around our photonics and micro-electronics, tourism and fishing industries. These businesses will provide important employment and growth that will underpin improvements in the Torbay economy.

- Helping our community and residents to reach their economic potential and build an inclusive economy

At the heart of the Council's Corporate Strategy and Community Plan and this Economic Growth Strategy are the people of Torbay. We will work with residents and businesses to

create the social prosperity that allows everyone to live and contribute well and turn the tide on poverty.

- Maximising economic value of natural capital

Torbay is home to varied natural assets, its outstanding marine and natural experience is as important for attracting, re-training and growing leading edge tech businesses as it is for bringing visitors to the area and being a place where people want to live. The geography of Torbay shapes our economy to a considerable extent.

- 1.8 In addition to the priority areas, the Strategy will contribute to tackling the Climate Emergency. The action plan sets out the actions required to take forward our priorities and this is appended with this report. This will also be accompanied by a monitoring and evaluation plan to enable effective monitoring.
- 1.9 Being able to determine what difference the Strategy is making will be fundamental to its success. Whilst all actions will have relevant key performance indicators, there are a series of key outcomes that the Strategy aims to deliver on. These are:
  - Creating more full-time job opportunities for Torbay residents and provide good work for all
  - Reducing our impact on, and increasing resilience to Climate Change
  - Increased Gross Value Added (GVA) per worker, average worker income and productivity – addressing our current position of one of the areas with the lowest GVA per capita in England
  - Improvement in educational attainment and workforce skills– increasing the number of residents qualified to deliver the jobs needed by local business
  - High levels of business start-up, with increased survival rates beyond 3 years
- 1.10 With sustained increases in each of these measures during the life of the Economic Growth Strategy, Torbay will improve its resilience and improve its economic diversity. This will assist in weathering future global economic trends and market cycles, aiding recovery from economic downturns. Improvements will assist Torbay in being agile enough to adapt to changing technologies and importantly, provide benefit to all residents. The Economic Growth Strategy Action Plan sets out the basepoint and future targets which the delivery of the strategy will be measured against.

## 2. Reason for Proposal and its benefits

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- 2.1 We want Torbay and its residents to thrive.
- 2.2 We want Torbay to be a place where we have turned the tide on poverty and tackled inequalities; where our children and older people will have high aspirations and where there are quality jobs, good pay and affordable housing for our residents.
- 2.3 We want Torbay to be the premier resort in the UK, with a vibrant arts and cultural offer for our residents and visitors to enjoy; where our built and natural environment is celebrated and where we play our part in addressing the climate change emergency.
- 2.4 The Economic Strategy is fundamental to delivery of the thriving economy theme of the Community Plan. The Economic Strategy will support the Council's place shaping ambitions recognising that economic success is a key determinant of other outcomes by enabling the conditions for job creation; helping people develop skills to find work or better work and the activities through the strategy will support turning the tide on poverty and improve health and wellbeing; in creating a positive environment for businesses to grow or relocate and deliver regeneration schemes enabling investment and reinvestment that increases the value of the local economy which in turn will help sustain or grow Council incomes. Successful delivery and a sustained focus on the Economic Strategy will drive the economic health of Torbay.
- 2.5 This work will result in an Economic Strategy that will underpin the Council's focus on delivering its corporate priorities and better outcomes for the community with a longer-term plan to address key issues and opportunities and build upon recent successes. Alongside the strategy there will be a SMART action plan, a monitoring & evaluation plan with key performance indicators to enable effective delivering of the strategy.

## 3. Recommendation(s) / Proposed Decision

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- 3.1 That the draft economic strategy and action plan be approved for public consultation.

## Appendices

Appendix 1: Supporting Evidence Base

Appendix 2: Draft Economic Strategy

Appendix 3 Draft Action Plan

## Background Documents

## Supporting Information

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### 1. Introduction

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#### Background

1.1 In January 2022, TDA issued a commissioning brief for the development of a new Torbay Economic Strategy 2022-2030. We received five proposals which were reviewed for quality, price, and deliverability as set out in the brief. Deyton Bell Limited were appointed to support with this work.

1.1 Deyton Bell Ltd have been commissioned to deliver the following:

- An Economic Strategy and Action Plan
- A Monitoring and Evaluation Plan
- A plan on a page

1.2 Deyton Bell will deliver this work in 5 key phases:

Phase 1 - Contract mobilisation

Phase 2 – Review of data/information

Phase 3 – Stakeholder engagement

Phase 4 – Draft Economic Strategy

Phase 5 – Final Economic Strategy

We are now at phase 4 and recommend that the strategy and action plan be considered for public consultation.

## Evidence Base

- 1.3 To support the development of the Economic Strategy, TDA has developed a supporting Evidence Base (see appendix 1). The Evidence Base will help shape, inform the Strategy, and provide an update on the local economic picture, highlighting emerging issues and opportunities, and secure a better understanding of Torbay's economic performance and drivers of growth. A few notable points to highlight:
- 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.

## Consultation

- 1.4 Deyton Bell set out a consultation process with key stakeholders covering; key business, economic and political stakeholders, and those identified by TDA, including:
- Local Authority members and officers
  - Jobs, skills, education and skills contacts including Department for Work and Pensions
  - Industry/commerce contacts including representatives from key infrastructure projects

- Business representative networks/membership groups, Destination Management Organisation
- Business support organisations (HM Government agencies, Enterprise agencies, BIDS)
- County Council and Local Enterprise Partnership colleagues/partners

A contact list was compiled for a combination of survey, phone, video and face to face interactions that along with the content and form of all stakeholder communications was agreed with TDA on behalf the Council.

An on-line survey of all stakeholders was sent to a list of agreed key stakeholders. Deyton Bell conducted meetings on a 1-2-1 or 1-2-many basis as appropriate/needed and attended pre-arranged meetings where stakeholders had already planned to come together.

- 1.5 The consultation survey was sent to 105 key stakeholders and we received over 50 responses. This included representatives of sector and business groups to cascade to their members (e.g. chambers, business forum, hi tech cluster, tourism bid levy payers). Deyton Bell also attended meetings of the place group, with Torbay aftercare companies and the Torbay hi tech cluster. One-to-one meetings with over 20 key contacts were also undertaken.

## 2. Options under consideration

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- 2.1 Continue with the existing strategy but this is no longer appropriate as it was developed as a response to the pandemic.
- 2.2 Approve the consultation draft strategy as set out.

## 3. Financial Opportunities and Implications

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- 3.1 It is expected that there will be both opportunities and implications. The Economic Strategy 2022 – 2030 and its action plan will also inform the Council's bidding priorities to funding programmes. The UKSPF is a key government fund that can enable delivery of the Economic Strategy and its action plan and therefore could be used as the driver of the investment plan required to secure UKSPF funding.
- 3.2 Furthermore, the extent of the issues facing the local economy and delivery of the resulting action plan is likely to require a refocus of existing resources and will require additional resources over and above that currently available for delivery. Where possible, other funding sources will be sought.
- 3.3 There are severe implications of a continued or even more pronounced economic failure. The level of skills and ageing workforce risk relocation of higher value businesses, the

ageing visitor demographic threatens the prominence of the visitor economy and the direct and indirect income that brings. The level of skills and level of employment has impacts on deprivation along with education, health and other outcomes that ultimately will present back to the authority as costs. If we experience reduced business rates, fewer visitors, worsening health outcomes a narrower tax base, then the issues we currently have will be exacerbated.

## 4. Legal Implications

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4.1 There are no legal implications with this proposal.

## 5. Engagement and Consultation

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5.1 There will be engagement with key stakeholders and businesses across Torbay using a variety of methods including; online meetings, pre-arranged group meetings, one-to-one meetings and a survey to shape the strategy development.

5.2 The Council will hold a six-week public consultation from 13<sup>th</sup> July 2022. A consultation plan is being developed to ensure effective community reach, engagement and ownership.

5.3 Following the public consultation relevant feedback will be incorporated into the strategy document.

## 6. Purchasing or Hiring of Goods and/or Services

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6.1 We developed a brief, set a budget and sought proposals from six suppliers to support with the strategy development work. We received five proposals.

6.2 We reviewed each proposal against the brief, including value for money.

6.3 We appointed a supplier to support the development and drafting of the strategy.

## 7. Tackling Climate Change

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7.1 We are engaged with the Climate Emergency Officer who will be providing input into the strategy development process. Carbon reduction questions have been integrated into the stakeholder survey.

## 8. Associated Risks

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8.1 The adoption of the Torbay Economic Strategy 2022 – 2030 and associated action plan (with monitoring and review) is fundamental in ensuring the Council can set the framework for developing Torbay's economy.



8.2 The evidence base is indicating that Torbay is facing new challenges and the current repositioning plan is not addressing these issues. Moreover the extent of the challenges suggest that there is a compelling argument for economic growth to be the strategic priority for the Council in the coming years given the risk that a failing economy presents for education, health and other outcomes.

## 9. Equality Impacts - Identify the potential positive and negative impacts on specific groups

	Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
Older or younger people	There will be skills focus within the strategy setting out how we can best support the aspirations of our younger people.		
People with caring Responsibilities			No differential impact.
People with a disability			No differential impact.
Women or men			No differential impact.
People who are Black or from a minority ethnic background (BME) (Please note Gypsies / Roma are within this community)	A report has been commissioned to provide a high summary of the issues that face Black and minority ethnic owned businesses and people from those communities who aspire to start their own businesses. This will inform the strategy development.		
Religion or belief (including lack of belief)			No differential impact.
People who are lesbian, gay or bisexual			No differential impact.
People who are transgender			No differential impact.

People who are in a marriage or civil partnership			No differential impact.
Women who are pregnant / on maternity leave			No differential impact.
Socio-economic impacts (Including impact on child poverty issues and deprivation)	The plan will seek to create new job opportunities for residents that will improve the quality of life for them and their families.		
Public Health impacts (How will your proposal impact on the general health of the population of Torbay)	Providing increased employment opportunities can take households from 'workless' to working. This can provide additional income for families to support a healthier lifestyle.		

## 10. Cumulative Council Impact

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10.1 None.

## 11. Cumulative Community Impacts

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11.1 None.