

Torbay Economic Growth Strategy

November 2022



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Executive Summary

Torbay faces an uncertain economic future.

We have key issues which must be addressed if the prosperity of our people, our businesses and our places is to be secured. The most important of these relates to our people.

Education, training and skills sit at the heart of a basket of challenges we face, and together they represent the biggest single set of issues we must address.

Our workforce is ageing and as people retire, they will leave gaps which must be filled, but this can only happen if younger people are able, and want, to grab these jobs.

This will only be possible if younger generations have the right skills and favour Torbay as a place where they would like to live and this in turn is highly dependent on affordability. We must inspire younger people and offer them education and training which equips them for the future.

If we fail to address these challenges, our businesses will not have access to the employees they need. Which means our businesses won't thrive and our residents will not be able to access jobs. It is as simple as that, and it represents a ticking time bomb.

This strategy will support ambition to tackle climate change and protect and enhance our naturally inspiring bay. We must ensure that economic growth is achieved in a sustainable way.

We must work together to diffuse the situation. If we do not, our economy, our businesses, our places and our people will suffer.

The Council, businesses or educators cannot do this alone, but by working together we can make a difference. We must prioritise working together more effectively to make a difference urgently.

It is time for leaders from our businesses, business groups, schools, colleges and local authority to redouble our efforts. We need to collaborate and cooperate to diffuse the time bomb. That means leaving self-interest outside and taking a seat at the partnership table. It means trusting each other, sharing resource and goodwill, working to a common vision and ambition and taking action now and for the long term. Acting collaboratively, consistently and for the longer term will help Torbay deal in the short term with the likely financial challenges for public sector partners while continuing to deliver the support urgently needed. It will also help reassure the local business community and investors that Torbay has a clear vision of where it wants to be economically and is working together to achieve that.

A strong tech sector, represented largely by a growing electronics and photonics sector, presents a significant growth opportunity.

The visitor economy is also fundamental to our economic growth and this strategy sets the framework for the Destination Management Plan that will capitalise upon our heritage, natural assets and excellent food and drink offer.

Investment in Torbay Hospital will see a significant growth in the health sector and opportunities to support the growth of the medical and healthcare technology sector will be enabled.

Furthermore Torbay provides the right environment for small tech based companies to establish and grow, notably in the digital creative sector and this will be explored. Fishing, embedded in our heritage and culture should be supported to grow and capitalise on previous investment that has seen the fish processing sector strengthen.

1. Introduction

Torbay offers an inspiring coastal, maritime and landscape setting. This unique setting provides one of the best places to live, work and play in the South West. The towns of Brixham, Paignton and Torquay are key engines of our economy, offering a range of facilities with a rich history. A high quality visitor economy is one of the leading sectors with an international reputation. The English Riviera is also home to a globally significant UNESCO Global Geopark designation.

The Torbay economy is home to globally significant technology businesses operating in photonics and micro-electronics, nanotechnology, and medical and healthcare technology (MedTech)

However, as a coastal economy Torbay faces some entrenched challenges that need addressing. Torbay has a narrow business base with employment reliant on three sectors, which include health and social care, tourism and hospitality and retail. The local economy is dependent on the face-to-face service sector, accounting for 30,125 of the 48,500 jobs or 68.4% of all jobs.

This reliance also means that Torbay currently lags behind the UK on many economic measures, it has experienced significantly lower levels of business growth of 13% compared to 30.6% nationally, employment growth of 9% compared to 10.4% nationally, and GVA growth of 7.5% compared to 28.8% nationally, since 2010.

Torbay's workforce is shrinking making it difficult for businesses to recruit. Affordability of housing is becoming more of an issue and will be fundamental in helping to attract people to work in Torbay. Supporting and inspiring our current and future workforce to secure jobs and develop their careers locally will be integral to this strategy.

The world of work has fundamentally changed post-pandemic. Flexible working is now normal practice for many office based jobs, strongly linked to improved wellbeing. Our natural environment presents an opportunity for Torbay to position itself as a location for businesses and entrepreneurs who might want to work in a different way.

The Economic Growth Strategy sets out how the Council working with partners can improve economic conditions and in doing so help businesses to improve performance, create new opportunities for residents, tackle poverty and improve health outcomes. This long-term strategy sets out the challenges we face, and the initiatives we are taking forward to address them. Many are long term initiatives which will require long term commitment if we are to achieve a sustainable change that will enhance our economy.

This Strategy cuts across a number of other Council Strategies and policy documents, in particular the Housing Strategy and the Local Plan. To retain and attract the workforce Torbay needs to require sufficient affordable housing and the Local Plan need to ensure a sufficient supply of employment land to accommodate growth and inward investment.

The Council will not be able to deliver the strategy alone. It is an Economic Growth Strategy for Torbay. We now have a clear, forward looking and vitally shared story for Torbay and each of the towns that will provide focus for their development and promotion. The Torbay Story sets out a

compelling narrative. There is a need to activate more collaboration within places and across Torbay and we are looking to energise that through the Torbay Together Champions Programme.

At the time of writing, Torbay's long-standing ambition to raise its profile within the national and international economy and its contribution to UK plc aligns with the government's Levelling Up agenda, and our interventions and funding bids are targeted to this theme.

Over the lifespan of this strategy, maximising Torbay's economic potential by improving productivity and leveraging investment in local specialisms will remain constant and aligned to the priorities of contemporary regional funding structures

This strategy will cover:

- How is the Torbay economy performing? Offering a summary of the evidence available
- How we want the Torbay economy to develop, with a vision, objectives, priorities and a theory of change
- How we achieve improved performance; priorities, resource implication and a measurement framework including Key Performance Indicators, and most importantly a practical and prioritised Action Plan.

2 Vision for 2030

We will continue to build our reputation as the UK's 'Tech by the Bay' by supporting Torbay's existing businesses and new investors. We will work with the sector to attract, retain and grow these specialisms. Torbay will be inclusive; our communities will be able to secure good employment and learning opportunities that will enhance their potential. We will address our current challenges by developing a year-round economy, providing greater levels of full-time employment with higher salaries, in a sustainable way. We ensure that investment in our three towns – Brixham, Paignton and Torquay enable them to develop their own very distinct identities and roles: a unified and complementary offer as the country's premier marine and natural experience.

Delivering the vision

We will build on our local strengths, reflecting the role our key towns and wider area play, in supporting the economy and our rich natural environment.

Our town centres will undergo significant change. We will work closely with both public sector partners and the private sector to achieve the changes that both our communities and businesses are seeking.

Our schools, college and businesses will work closely together to inspire and develop the skills of our people and to access opportunities that enable them to succeed and be resilient in a fast-changing economy. People who are out of work or in low paid jobs will find it easier to obtain support to upskill into new career opportunities and access opportunities they need to get into the workforce and progress into better jobs. Our skills system will directly address the future needs of our economy and the current needs of our business community, ensuring that residents have access to high quality employment.

We have learnt through the Coronavirus Pandemic that more needs to be done to be prepared for major economic shocks. Working with our partners we will develop plans that enable Torbay to be well placed to respond and be resilient to economic challenges and opportunities.

The key characteristics of Torbay's success will include.

- 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

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.

3 The Council's Approach to Economic Growth

Enabling inclusive and sustainable economic growth is integral to Torbay Council, its partners and the community. Sustaining a productive economy will contribute to making Torbay a prosperous, healthy, safe and clean place.

The Torbay Economic Growth Strategy is a key strategy for the Council, its partners and the community that will shape the future of Torbay's economy bringing business and place together, enable the safeguarding and creation of local jobs, stimulate wealth creation for residents, tackling poverty and improving health outcomes. Conversely failure of this strategy will exacerbate the challenges Torbay faces with the challenges that will bring to the community in the medium and longer term.

The Coronavirus Pandemic has demonstrated the impact economic shocks can have upon local, national and international economies. We want to ensure that we have a clear strategy in place that both enables a quick and full recovery from the impact of Coronavirus and also puts in place plans for future potential shocks and challenges such as the potential for public sector funding restrictions in the early stage of this strategy.

The Council recognises that economic growth is fundamental to increasing the prosperity of the community and the businesses in Torbay and that, as through the pandemic, the role of partners across Torbay will be pivotal in securing economic growth. The Council will work with partners and where appropriate through them to deliver this strategy and will seek the support of those partners, particularly the public sector anchor institutions and the business leaders locally, in collaborating and championing the needs and opportunities of Torbay.

Achieving sustainable economic growth is a priority therefore we also recognise the responsibility we have for the Environment. The Council declared a Climate Emergency on 24 June 2019. The Council has agreed a target that by 2030 Torbay will have become carbon neutral, zero waste and a climate resilient place, playing its part in limiting the impacts of climate change. Business and community support will be vital in helping to meet the carbon neutral target. This strategy supports this important objective and will encourage carbon neutral growth.

Over the lifespan of this strategy, maximising Torbay's economic potential by improving productivity and leveraging investment in local specialisms will remain constant and aligned to the priorities of contemporary regional funding structures.

Torbay's long-standing ambition is to raise its profile within the national and international economy and its contribution to UK plc aligns with the government's Levelling Up Agenda. Our interventions and funding bids are targeted to this theme.

The Economic Growth Strategy is a key part of a suite of strategies that will improve Torbay as a place to live, work and play. Key linkages are made within the Strategy to:

- Torbay Council's Community and Corporate Plan
- The Torbay Story
- Torbay Local Plan – 2012-2030

- English Riviera Destination Management Plan – 2022-2030

To inform this strategy, two specific actions have been undertaken: -

- An economic baseline analysing trends and progress impacting the Torbay economy has been developed.
- Consultation with, and input from, a wide range of stakeholders has informed the strategy.

This has ensured that the Economic Growth Strategy has been co-produced by the Council and its partners.

The Council is able to celebrate the success of its previous Economic Strategy, which guided the delivery of a number of important initiatives including:

- The Electronics and Photonics Innovation Centre (EPIC) is already proving to be an invaluable asset to the local electronics, photonics and micro-electronics business community. Open in 2019 the Centre now houses over a dozen businesses, many of which are involved in cutting edge technologies and innovation.
- Secured £22m Town Deal to drive Town Centre improvements in Torquay and £13.36m Future High Streets Fund programme for Paignton that will further catalyse investment into our town centres.
- Secured inward investment from high tech companies such as Nanusens creating high value jobs.
- Supporting the growth of Castings Support Systems (CSS) through developing a new purpose-built 5,550m² manufacturing facility at Claylands in Paignton enabling CSS Group to take on the building to support their growing business.
- Secured funding to support the development of Edginswell Business Park and business units totalling 1056 sqm at Lymington Road.

4 The Torbay Economy overview

The Torbay Economic Growth Strategy Evidence Base (2022) sets out a comprehensive picture of the Torbay economy. The key issues facing the economy can be summarised as:

- The Torbay economy contributed £1.98bn to the UK economy in 2019 (by Gross Value Added at current prices). Our Productivity performance in Torbay has continued to fall behind the UK average.
- Business survival rates in Torbay are below the South West average over the five-year period, and broadly in line with the UK average for the first four years of trading, however, then fall marginally behind the national average in 2019.
- The number of jobs in Torbay has decreased by 3% from 49,500 in 2015 to 48,000 in 2020. In the past five years, the rankings of the top employment sectors have remained unchanged with; health (24%), accommodation & food services (14.6%), retail (12.5%), education (9.4%), and business administration & services (6.8%)
- The level of qualifications by Torbay's residents reveals a current economic weakness that needs addressing with 9.0% of the working population in Torbay have no qualifications, a figure which has increased since 2017, leaping from 6.2% to 9.0%. The largest increase came from 2019 to 2020 (6.6% to 9.0%). At present, Torbay falls behind the national and regional percentages across NVQ1+ right through to NVQ4+.
- Latest population estimates show Torbay is home to 134,300 people, with 52% aged 50 and over. This is significantly above the national (42%) and regional (46%) averages and has an inevitable impact on income levels and healthcare provision. At the other end of the age spectrum 27% of Torbay's population are aged between 20-44, 7% below the national average. This highlights the challenge Torbay faces in retaining graduates and supports the view that many students who leave the Bay to enter higher education do not return until later in life, impacting on productivity levels.
- Torbay has pockets of severe deprivation, and areas of relative affluence. Torbay is amongst the most deprived in England. Within Torbay around one-in-three of the population live in areas in the top 20% most deprived in England
- From 2016 to 2020, Torbay's employment rate dropped year-on-year. The lowest being between 2019 and 2020 where the figure was 72.5% (lower than the comparative areas below). While the Coronavirus Pandemic has had an impact, encouragingly between 2020-2021 the figures have increased from 72.5% to 77%. While Torbay's unemployment rate is the lowest it has been for five years (2.3%).
- Despite the level of unemployment and drop-in employment rate, vacancies are currently at the highest level they have been over the last five years. We find ourselves in unprecedented times where there are currently more vacancies than people actively looking for work. Sectors such as retail, tourism and health and social care have significant levels of job vacancies with many businesses struggling to recruit to meet their operational requirements.
- Disproportionately high housing costs contribute to in-work poverty exacerbating the labour shortage in the lower paid sectors
- A significant challenge is that part time employment is more common than full time. At present 58.1% of employees are full-time whereas 41.9% are part-time. Across Torbay the statistics demonstrate that there remains a stronger prevalence of part-time work as the 41.9% figure is higher than all its comparators. This prevalence is indicative of Torbay's economic make-up with its dominance in tourism and hospitality, social care, and retail.

- Despite a 30% increase in wages for people working in Torbay since 2015, income remain below the national and regional averages.
- Economic growth can also contribute to increasing carbon emissions. Our businesses and industry were responsible for 20% of Torbay's carbon emissions in 2019. In 2019 transport emissions made up 31% of Torbay's carbon emissions and waste made up over 4% of Torbay's carbon emissions.
- The recent announcement of the Plymouth and South Devon Freeport presents a risk to Torbay. Freeport areas will be able to offer incentives for investment and therefore could present a risk to Torbay businesses if we are not able to accommodate growth locally and incentive investment.

Key Sector Profiles

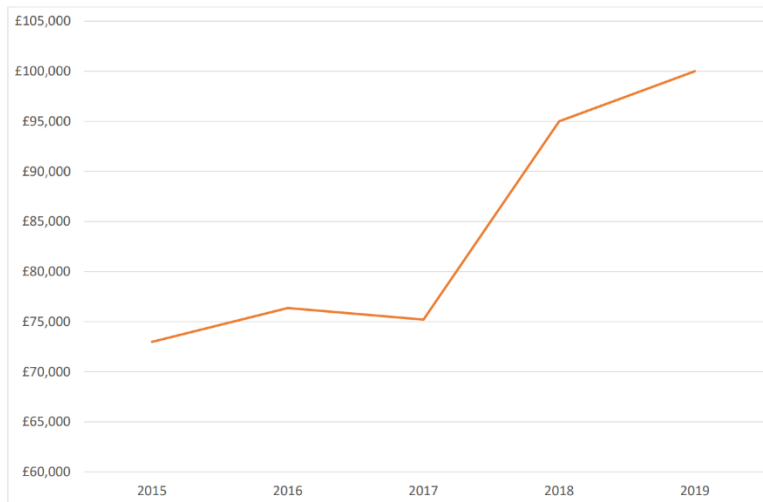
Torbay's key sectors have been heavily impacted by the Covid-19 pandemic, with the fishing sector demonstrating greater resilience with the volume of fish caught remaining relatively stable but witnessing a decrease in value compared to the previous year, partly due to Brexit and the increased export administration, and partly due to the lack of demand from overseas markets as their hospitality sectors locked down due to the pandemic. Equally in the UK, both the staying visitor and day visitor numbers substantially declined in 2020 as these parts of the economy were locked down for significantly longer periods of time compared to others, however anecdotally tourism businesses have suggested a strong bounce back in the 'staycation' market over 2020 and 2021. The Photonics and Micro-electronics sector can demonstrate continued growth and offers hi-tech growth for Torbay in the future. Evidence indicates that there are emerging opportunity sectors around health, in particular medical and healthcare technology, and creative industries.

The Evidence base sets out the performance of our key sectors, they are summarised below.

Photonics and Micro-electronics

Employment within the Photonics and Micro-electronics sector has increased by 24.3% over the period, albeit from a relatively low base, however economic output within the sector has increased at a faster rate by 37% which shows an increase in productivity levels within the sector and the sectors contribution to the local economy. The sector has potential for further growth and is an example of the potential for Torbay to support High Tech economic growth. However future growth may be restricted by the limited availability of employment space in Torbay.

Figure X GVA per employee in Torbay Photonics and Micro-electronics sector (2015-2019)

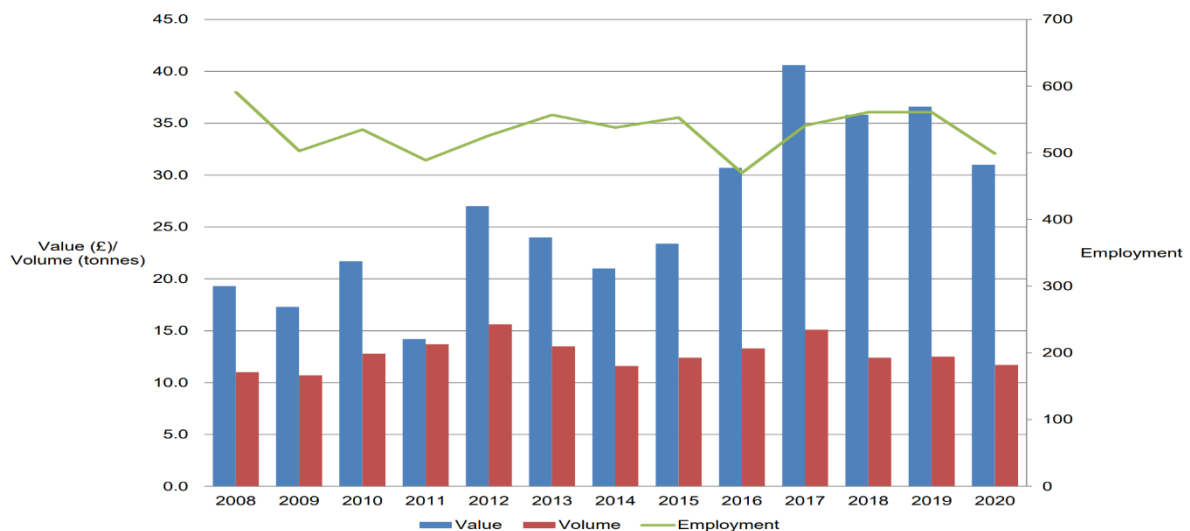


Source: NOMIS, BRES, 2021 and ONS Regional GVA, 2021

Fishing

In 2020, the port of Brixham landed the highest value of catch and the second highest volume across England. The volume of fish caught in Brixham has remained relatively unchanged over the past three years, however the value has declined in the last year along with employment in the sector mainly due to the pandemic.

Figure X: Volume, Value and Employment in Torbay’s Fishing sector



Source: UK Sea Fisheries Statistics, Gov.uk

Tourism

The English Riviera has a strong history of being a premier coastal resort, with a tourism sector that supports local and regional businesses, creates local jobs, and contributes to the sense of place and quality of life. But in recent times the English Riviera has struggled to keep pace with changing market needs, and the impact of Covid-19 and the climate crisis

are creating unprecedented challenges, with a reduction of 55% of tourism earnings from staying visitors and a 50% reduction from day visitors in 2020 compared to 2019.

The Economic Growth Strategy aligns with the Destination Management Plan which has set out interventions that can help propel the destination forward. The plan seeks to build on the inherent strengths and reflect market trends and opportunities and help to achieve a more sustainable and resilient destination.

The objectives for Destination Management Plan are:

- Recover – return to 2019 spend and visitor levels by 2024
- Grow – achieve an additional £75m of tourism spend and 1,500 new FTE jobs by 2027
- Re-balance – more sustainable visits, with 40% of visits from October - March (currently 35%)
- These objectives will be achieved by:
 - Attracting new and existing visitor markets and an improved reputation and profile for the destination
 - New product investment and development of the existing offer
 - Better destination management and visitor welcome (and resident satisfaction)
 - Clear delivery arrangement

Medical & Healthcare

Torbay has a number of key strategic assets in this regard including; a major hospital rebuilding programme, a leading NHS pharmaceutical manufacturing facility, numerous businesses engaged in the medical and healthcare sector, with many as key suppliers to Tier 1 companies with others also undertaking research and development in new technology or products for medical and healthcare uses. In the provision of Adult and Social Care, digital delivery and Torbay's population demographics could combine to provide opportunities for clinical trials and new product development.

Creative and Digital

Recent University of Exeter research into Creative Industries Policy and Evidence Centre, – *Creative Industries Innovation in Seaside Resorts and Country Towns* indicates Torbay has an opportunity in the creative sector, possibly focussed on digital technologies. The creative industries definition is broad and includes but is not limited to, arts, culture, and heritage, crafts, photography, radio and TV production along with digital applications such as website design, advertising and programming and app design.

Torbay has a strong representation in the creative industries through Torbay Culture and Digital Torbay stakeholder groups, Cockington Court, and small clusters located around Torquay Harbour could enable effective programme delivery.

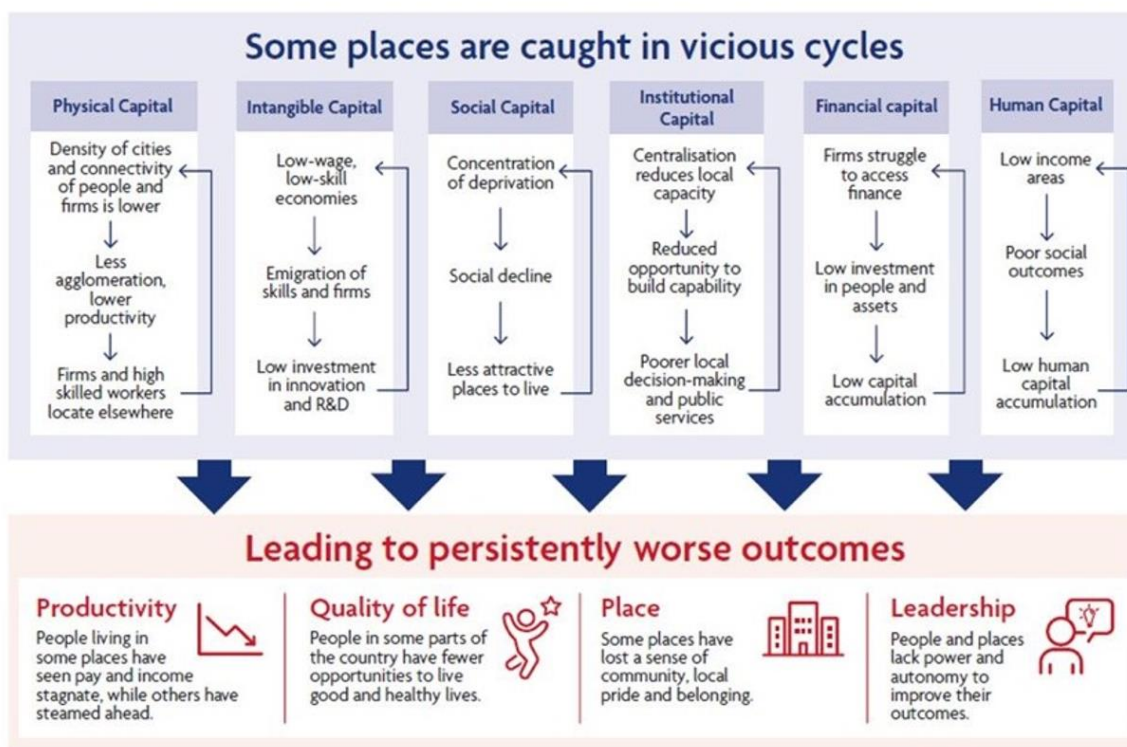
5. Working with our partners

The Economic Growth Strategy is an important partnership document. The Council can help provide the conditions through which the private sector can grow and thrive, however it can't deliver alone and will work with partners to develop deeper relationships, cultivate strong leadership recognising that effective partnership is essential to develop these conditions.

Similarly, there are a range of social outcomes which are intangible which impact upon Torbay's economic potential. The table below demonstrates the range of inputs needed to drive economic growth; where there are challenges and under-performance, the local economy will suffer. In Torbay evidence shows that current levels of deprivation and low-wage low skill levels negatively impact our economic potential. Each factor set out in the pillars below are an important element of the local economy. Where there is weakness, it will lead to poorer outcomes and a continued weakening of the local economy, for example, fewer people to take employment opportunities or limited high skilled candidates in the local area to take high skilled job opportunities.

The Council and its partners must work together to address each of the pillars set out below. Partnership is key to addressing the vicious cycles that currently exist in the Torbay economy.

Levelling Up Golden Thread



Source: IED Golden thread for local economies

Torbay has received support from the Government through the Towns Deal and Future High Streets Funding. Government funding initiatives will provide opportunities to deliver projects and

initiatives that will help address Torbay's challenges. We will work with our partners to shape these projects and initiatives.

The Government has also signalled that a Devon County Deal can be progressed across Devon, Plymouth and Torbay. The County Deal will provide a collaborative approach to help lever more investment into the area for the benefit of Torbay's businesses and residents. A County Deal will provide opportunities for deeper collaboration with stakeholders such as universities, colleges, business, the voluntary, community and social enterprise sectors, National Parks, town and parish councils.

The Council also supports a Community Wealth Building (CWB) approach which focuses on increasing local spend by supporting local businesses to bid for local public sector contracts. Torbay Council has committed to using its financial powers more effectively to help benefit the local economy and create new employment and training opportunities for people through its regeneration projects.

The CWB approach brings together public sector partners from across Torbay and has secured their commitment to collaborate and adopt the principles of CWB. Torbay Council, Torbay and South Devon Foundation Trust, South Devon College, and TDA have pledged to spend more with local companies where possible.

The Economic Growth Strategy provides the platform for stakeholders to work together. Through consultation stakeholders have had a key role in shaping the strategy. The strategy is focused and includes objectives and actions that will make a step change to our prosperity. We now need our business community to work with the Council to play a leadership role in addressing the challenges we face and seizing the opportunities we have. We want our key partners such as the Chamber of Commerce, FSB and members of the Torbay Business Forum to step up and proactively work with the Council to deliver this Economic Growth Strategy and raise Torbay's profile nationally.

6 Torbay's economic priorities

The factors that influence Torbay's economy are numerous. The following represents some of the key characteristics, assets and 'influencing factors' which impact our economy.

We have identified 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 which will take forward to enable growth across Torbay.

Our priorities are:

- Supporting innovators, entrepreneurs and business owners
- Building on our economic specialisms
- Helping our community and residents to reach their economic potential and build an inclusive economy
- Maximising economic value of natural capital

In addition, the Council recognises that addressing the Climate Emergency is a cross-cutting theme. The challenge is significant and will offer economic opportunities over the lifetime of the strategy. It will also impact all four of our priorities as they are impacted by new policy or approaches.

i) Supporting Innovators, Entrepreneurs and Business Owners

The Council will continue to encourage enterprise. 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.

Why is this important to Torbay?

- To raise GVA per worker
- To attract new jobs
- To encourage more full time jobs
- Improve living standards

What challenges does Torbay face?

- Limited amount of commercial workspace and employment land available
- Limited skills available from residents
- A fragmented business voice

Our approach	Our focus
<p>Supporting start-ups and scale-ups</p>	<p>Whilst Torbay is home to innovative firms, we need more companies investing in R&D ensuring we have the infrastructure to support scale up. We will also support the growth of the social economy. We are aware that we need more commercial space and land to meet demand from our growing businesses and potential new investors.</p>
<p>Boosting innovation throughout the economy, including commercialising knowledge from universities and government, and supporting firms of all sizes in all sectors to improve their products, processes and capabilities</p>	<p>Innovation does not just occur in high tech sectors and top universities. Simple improvements to processes, finding new markets or adapting to new technology can increase productivity. We will continue to support the creation of new businesses and the growth of small businesses, including independents, which are an important part of the Torbay economy. We will commission a business support programme that will facilitate growth.</p> <p>We will support companies engaged in the Hi-Tech Cluster to ensure that they can thrive within Torbay by developing the relationship with Universities and embedding SetSquared, or a similar organisation, in EPIC.</p>
<p>Using the findings of the DBI research that will help our under-represented business communities to engage with local business networks</p>	<p>We will establish an Ethnic Minority Networking Group to support Torbay’s under represented business community. Encourage more underrepresented businesses to participate in the Torbay Business Forum and the Torbay Champions Programme.</p>
<p>We will target inward investment opportunities proactively to ensure that we can accommodate new business investment</p>	<p>We will work with our partners to attract inward investment that we can accommodate within our limited employment space. We will research new business targets recognising that we can attract smaller agile companies associated with our key sectors</p>

To maximise benefits for local people, we need to provide first class support that will enable Torbay businesses to start, grow and prosper. As part of this, we will contribute to quality workplaces with a healthy, skilled, and motivated workforce

Through providing expert advice and support to access national grant investment, we will continue to help businesses to expand and innovate, creating new jobs and products and boosting the local economy. New businesses are particularly important, and we will continue to target start-ups and entrepreneurs in our key growth sectors.

ii) Building on our Economic Specialisms

The Council will continue to encourage growth in key sectors. Our 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, as well as emerging opportunities in medical and healthcare technologies and creative industries. The outstanding marine and natural experience are as important for attracting, retaining and growing leading edge tech businesses. These businesses will provide important employment and growth that will underpin improvements in the Torbay economy.

Why is this important to Torbay?

- To secure new opportunities for Torbay’s residents
- To attract new jobs and investment to strengthen the Torbay economy
- To raise GVA per worker
- To attract new jobs
- To encourage more full time and high-quality jobs

What challenges does Torbay face?

- Limited amount of commercial workspace and employment land available
- Limited skills available from residents
- The seasonal nature and low value of the tourism sector

Our approach

Growth in our main sectors will create wealth and jobs. We are creating the base for business to grow.

Our focus

This will be achieved by building on and enhancing our existing support programmes that are already enabling individuals and businesses to address barriers to growth, improve resource efficiency, raise productivity and compete on an international scale.

Innovation is a key driver of growth, and we will continue to support the development of an inventive and pioneering economy

TDA will continue to support our key sectors and play a facilitative role in connecting businesses with new opportunities. We will establish new sector-led business groups to facilitate growth opportunities and linking into support and funding opportunities. In relation to the Photonics and Micro-electronics sector, we will deliver support via our MOU with Set Squared which will provide advice and guidance to innovative companies. We will work closely with our key sectors and large employers, to understand the skills that are required and whether current provision meets those requirements.

Businesses are finding it difficult to recruit to a range of roles. This is demonstrated by there being more vacancies available in Torbay than at any other point

We will work with the business community, schools (both secondary and primary), colleges, universities and training providers to shape a skills system that meets the needs of our economy.

The medical and healthcare sector offers opportunities for economic growth. With an ageing population there is potential to explore different opportunities during the life of the strategy

We will work with our health partners and medical and healthcare technology based businesses to explore new opportunities that will contribute to economic growth.

We will work with the tourism and visitor economy sector to explore how Torbay can develop as a year-round destination

We will support the delivery of the English Riviera Destination Management Plan.

Explore how the maintenance of the South

Brixham is the UK's leading port for the Fishing sector. We will continue to support its ambitious growth plans in the fishing sector. We will explore

West's fishing fleet can be serviced within Torbay

whether there is demand for a regional hub in Torbay as the sector currently uses maintenance centres in the Netherlands.

The Council will address the challenge we face regarding the limited amount of employment land we have available to support economic growth

The Council will review the employment land it has available and work with stakeholders to identify both short- and long-term opportunities to bring more employment land forward. We will review the potential for land acquisition or repurposing existing land and property on an ongoing basis.

The Council will work to ensure that existing employment land sites are protected and not lost to housing development. Furthermore, the employment land allocated in mixed sites developments will also be protected and developed.

We will work with stakeholders to establish whether vacant high street units can be used to provide more employment space through formal change of planning use.

iii) 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. We will:

- Continue to work to tackle poverty and reduce economic disadvantage, by transforming prospects for low-income families and creating better futures for our young people particularly care experienced young people.
- Work with local businesses to create good quality jobs and pathways for people to access opportunities.
- Help the most vulnerable by removing or managing barriers to work and connecting our poorest communities to economic growth.
- Focus on activity which helps raise the employment rate of the most disadvantaged residents.
- Encourage the maximum social benefit from the Council's commissioning and procurement activity through our Community Wealth Building approach.

Increasingly employers are reporting that they are unable to recruit, or when they do skills levels are not at a level they require. There is a move nationally to engage with businesses more

significantly to ensure that their demands are understood and acted upon within the education system. This is a fundamental challenge the UK is facing, which Torbay needs to address.

The HotSW Local Skills Report (2022) states that Torbay has ‘Lower supply and lower demand for skills’ (i.e., “Low skills equilibrium”). The Strategy identifies that work in Torbay will focus on ‘maximising the development of existing and new opportunities within Torbay. This will include new employment and upskilling within HotSW wide growth sectors such as Photonics and Micro-electronics, marine engineering, tourism and wider coastal industries. Recognising long standing challenges within the area around inclusion and employment, a specific focus will be placed upon aspiration and talent retention, seeking to support young people and adults to grow and develop within Torbay, as well as supporting companies to upskill, renew and refocus as the economy evolves.

Torbay has an ageing population with over 50% of the working population aged 50 and over. This presents issues in terms of Torbay’s productivity rates and impacts on economic opportunities for younger people. We will explore how we can support the 50+ age group to enhance their work opportunities and contribution to the local economy.

Why is this important to Torbay?

- To secure new opportunities for Torbay’s residents
- To increase the economic performance and productivity of Torbay
- To ensure that our residents reach their potential and reduce pressures on other public services
- To ensure residents have access to well paid, full-time work, to combat economic shocks that impact upon cost of living, wellbeing and health
- To turn the tide on poverty

What challenges does Torbay face?

- Torbay has high levels of workless households
- Torbay has high levels of deprivation based on National indices
- Only 20% of residents possess a NVQ level 4 qualification, the South West 40.4%
- 9% of our residents do not have a qualification (+6.2% since 2017)
- Only 29% of the workforce are graduates
- Claimant count reached its highest point in 2021
- Our key sectors such as tourism and health and social care are not seen as attractive careers
- There are now more vacancies in Torbay than unemployed people

Our approach	Our focus
We will facilitate activity across key skills stakeholders in Torbay to transform local skills support	We will facilitate closer working between employers and education providers, with business involvement directly in the classroom to mentor and inspire young people. Greater collaboration will help to develop and commission education and training that is tailored to the needs of

employers and our economic priorities. We want our employers to commit to invest more in skills training, engage more with schools, and deepen their involvement in education.

We will promote apprenticeships as a key route for our communities to access employment. We will encourage our private sector stakeholders to explore Degree level apprenticeships as a mechanism for attracting highly skilled employees. Good work has been done in this area over the last five years to put employers at the heart of the apprenticeship system, they now write the standards required and commission training providers, this not only benefits trainees but also business as the apprenticeship levy can offset funding costs to train staff.

The photonics and micro-electronics sector has demonstrated best practice around skills development through the establishment of a training suite and course development, securing associate lecturers from across the sector. This has led to an undergraduate Photonics and Micro-electronics degree and how industry has shaped this work is a model that could be followed by other sectors within Torbay.

We will work with our stakeholders to ensure that roles in key sectors such as tourism and health and social care are viewed as positive opportunities. We will look at how we can work with employers and providers to improve the skills of the existing workforce, to enhance people's productivity, progression and resilience. This will include looking at how greater support can be provided to people who lose their jobs or whose skills need to be kept up to date.

We will develop pathways to help our people enter and progress in our key sectors.

We will support economically inactive people to enhance their economic opportunities

We will continue to provide the support needed to help people who are out of work to build their confidence and develop the skills needed to secure employment (paid or voluntary) or move into further education and training.

We will help those who are in work access training opportunities to further develop their career

We will work with career advice providers and training providers to find solutions to help those in work access the necessary training and support to help them develop their career.

We will work with construction companies to drive recruitment into the sector ensuring we have the skills available to deliver Torbay's place-shaping capital regeneration programmes

We will support the delivery of construction skills through the Build Torbay programme to ensure the sector has enough skilled labour to deliver the growing number of construction projects

We will support the over 50s to enhance their economic opportunities

We will explore how in-work poverty can be addressed through closer working with employers, DWP and with education providers to ensure that those residents in work are aware of opportunities to gain better employment, new skills or retrain. We will also work with partners to ensure that the long-term unemployed have the opportunity to build their skills, become more work-ready and have the opportunity to access employment. Torbay has a major construction programme underway throughout the lifetime of the Economic Growth Strategy. We will work with education providers and businesses via the Build Torbay project to ensure that young people are informed and inspired by working in the construction sector. Torbay has developed a Community Wealth Building programme. Adopting this approach provides value for our communities wherever possible, through the goods we buy, people we employ, assets we own and the powers we have

that can bring about change to maximise Torbay's local economic opportunities.

Working with training providers, stakeholders and DWP we will explore options that will support the economic potential of our over 50s population.

Build a carbon neutral workforce in Torbay.

Need to understand the economic potential that a carbon neutral Torbay by 2030 will bring, and the skills needed to achieve this.

iv) Maximising the economic value of natural capital

Torbay offers a premier and natural experience and was designated a Geopark in 2007 by UNESCO because of our unique and spectacular geology and natural environment. 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 large extent.

Tourism related sectors account for around a third of employment and the draw of the South Devon lifestyle attracts people of all ages to relocate here permanently, often setting up small businesses within the sector. The Torbay economy is focused on the service industry, with more than 80% of the workforce employed in service sectors, higher than the regional and national averages. This high proportion of service sector employees is due to local concentrations in distribution, hotels and restaurants, and in the public sector. Around one third of Torbay's workforce is employed in public administration, education and health, and all three sub-sectors are of significant importance to the local economy.

Why is this important to Torbay?

- Torbay's natural capital offers new opportunity for economic growth, both onshore and offshore
- The fishing port of Brixham currently lands the highest value of catch in England
- To ensure that new opportunities drive productivity, provide new opportunities for residents and ensure that the Torbay economy performs better
- To make our town centres more vibrant

What challenges does Torbay face?

- Torbay's economy relies on a limited number of sectors
- The economy currently relies on a greater proportion of part time, low skilled workers
- Investment will be required to maximise opportunities for Torbay
- Need to protect and enhance our natural environment

Our approach	Our focus
<p>We want to positively and sustainably use our natural environment to help secure economic growth</p>	<p>We will explore how we can support the visitor economy and fish processing sector to ensure they can increase their profitability and productivity in a sustainable way.</p>
<p>We want to ensure that our High Streets and Town Centres are high performing, providing the services businesses, residents and visitors need</p>	<p>We will deliver the £21.9m Torquay Towns Fund focusing on the following key priorities increasing density in town centres strengthening local economic assets including local cultural assets site acquisition, remediation, preparation, regeneration and making full use of planning tools to bring strategic direction and change.</p> <p>We will deliver the £13.36m Paignton Future High Streets Fund which will kick start the exciting transformation of Paignton town centre. The funding will allow us to deliver: infrastructure improvements, new homes in the town centre and an improved cultural offer</p> <p>We will identify and deliver suitable regeneration in Brixham Town Centre.</p>

7 Cross cutting themes

The Economic Growth Strategy has identified tackling the Climate Emergency as a cross cutting theme. The Council has recognised the urgency of addressing the Climate emergency. The Economic Growth Strategy has identified contributions that can be made to support this objective. We recognise that these will evolve over the lifetime of the strategy and will report on new approaches as they come forward.

i) Tackling the Climate Emergency

Climate change and its repercussions is an acknowledged global problem. Torbay Council is committed to addressing the Climate Emergency as a key priority. In a special report of the Intergovernmental Panel on Climate Change (IPCC), the United Nations highlights the need to take immediate action to limit the increase in average global temperatures to a 1.5°C threshold. Even an increase of half a degree beyond this will drastically worsen the risk of drought, floods, extreme heat and poverty. We are also seeing impacts locally such as more severe storms and flooding which are occurring more frequently.

It has been predicted that due to climate change we will see over the next 100 years the sea level rise in Torbay by over 1m. Over the next 100 years the frequency and impact of water coming over the top of the sea walls will increase, resulting in more infrastructure and properties being affected by flooding. On top of that, more intense rainfall will increase the risk of localised flooding and erosion.

Tackling climate change requires global and local action. Everyone needs to play their part. This is why Torbay Council has declared a Climate Emergency. Torbay carbon emissions have been falling steadily since 2008. However, in 2018 Torbay emitted 424,000 tonnes of carbon emissions (BEIS). In Torbay, housing is responsible for over 40% of our areas emissions. Transport is responsible for just over 30% and commerce and industry 20%. To achieve Torbay's 2030 target we will need to reduce our 424,000 tonnes of carbon emissions as much as we can towards zero. Any residual emissions will have to be offset through local and national tree planting and other offset programmes. Our approach to addressing the climate emergency is as follows:

Why is this important to Torbay?

- Carbon emissions arising from Torbay equated to 424,000 tonnes in 2019. These emissions come from our homes and our businesses. We need to play our part locally to help reduce our emissions, tackle climate change and avoid a further warming of our planet and the wide ranging adverse impacts it will have on us all.

What challenges does Torbay face?

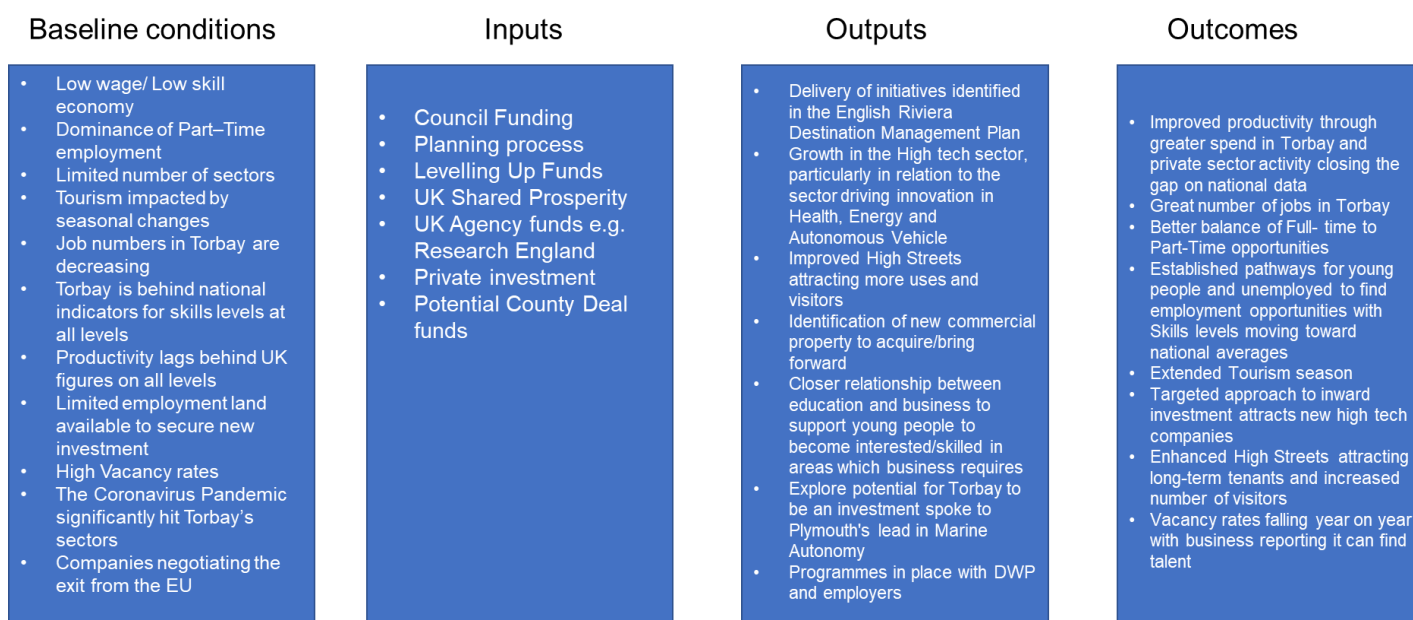
- Torbay has been reducing carbon emissions year on year. Further work is needed to implement a carbon neutral future. The Carbon Neutral Torbay – initial action plan sets the course for addressing the issue.

Our approach	Our focus
<p>Establish a net zero emission economy</p>	<p>We will focus our work on developing approaches to address:</p> <ul style="list-style-type: none"> • Transport • Buildings • Waste • Energy • Procurement • Green infrastructure
<p>Support our businesses to adopt climate neutral policies and practices</p>	<p>We will ensure that cutting carbon presents economic opportunities for Torbay's companies through the development of local programmes of activity. Work with existing businesses to improve their environmental performance:</p> <ul style="list-style-type: none"> • Develop a low carbon skilled workforce who are able to secure local jobs • Commission resource efficiency business support programmes • Encourage innovative and inclusive local growth
<p>Develop a resilient economy</p>	<p>We will explore with our partners the potential to</p> <ul style="list-style-type: none"> • Use land to capture and store carbon • Improve building standards to target net zero <p>Implement Retrofit on public buildings and increased development of Green Skills</p> <p>We will seek to secure funding for specialist business support advice through ESW to help businesses reduce their carbon footprint and establish net zero targets.</p>
<p>We will ensure that any intervention supports improvements to air quality and health across Torbay</p>	<p>We will support development of a local energy action plan and identify energy efficiency programmes such as insulating homes and further renewables will play a vital role in reducing energy demand.</p>

8. Measuring economic outcomes

To ensure effective delivery of our priorities, project teams and strategic leads will be assigned to each. It is important to recognise that the actions prioritised by this review are not static, nor do they reflect all activities undertaken by partners in delivering economic development. Therefore, while the overarching strategic framework should remain stable, the actions themselves will be more fluid, subject to periodic review and tweaked to incorporate new opportunities/interventions as they emerge. The Torbay Economic Logic Model set out below highlights the high-level and long-term nature of economic improvement which will be needed through this Economic Growth Strategy up to 2030, but also beyond.

Torbay Economic Logic Model



In order to measure progress, the Council will produce an Annual Economic Monitor which will draw together a suite of 'real time' economic intelligence indicators. The Economic Growth Action Plan sets out the measures and outcomes that Torbay is seeking to deliver against each of the Priority areas. The Action Plan also establishes core outcomes by 2030, which sets the overall target by the conclusion of the lifespan of this Economic Growth Strategy. These plans will be 'living' documents, monitored and refreshed by project teams. This will ensure all partners are working together towards a coherent set of economic objectives, prioritising resources and delivery where appropriate. The Council will also host an Annual Economic Forum to highlight progress being made on the strategy, and to provide an update on economic performance.

Our Priority	Key performance indicators	Core outcomes	Source
Supporting innovators, entrepreneurs and Business Owners	Business start-up rate Business density Business survival rates	Increased Gross Value Added (GVA) per worker, average worker income and productivity	ONS Business Births, Deaths, and Survival Rates 2021 Business Density & Business Population Estimates 2021
Building on our economic specialisms	New investment from companies in Photonics and Micro-electronics, Fishing or Tourism sectors Number of inward investment successes in key sectors Improved recruitment position reported by key companies	High levels of business start-up, with increased survival rates beyond 3 years Number of inward investment successes Increase in the number of jobs in our core sectors	UK Business Investment Data ONS Inward investment successes Primary research to find recruitment position with companies in Torbay ft/pt employment outcome (BRES data)
Helping our community and residents to reach their economic potential	Businesses reporting skills shortages Number of schools engaged Youth-unemployment rate Number of apprenticeships	Creating more full-time job opportunities for Torbay residents and provide good work for all Improvement in educational attainment – increasing the number of residents qualified to deliver the jobs needed by local business	Primary research with local schools/businesses Unemployment rate and Claimant count Youth unemployment rate national statistics (UK Gov) Youth unemployment by region (ONS) House of Commons Apprenticeships Statistics
Supporting our key sectors	Employment Land Acquired/Developed GVA levels for the Torbay Increase in employment levels	High levels of business start-up, with increased survival rates beyond 3 years	Torbay Gov Housing and Economic Land Availability Assessment ONS CVA Nomis Labour Market Profile

9. Implementing the Economic Growth Strategy

Torbay has several economic strengths; we are however facing deep-rooted challenges. The Economic Growth Strategy outlines the necessary steps needed to begin to address the issues. Many will be generational challenges where we need to make a start and address for the long term – such as Skills issues. Others have shorter term solutions, including regenerating and refocusing our Town Centres and supporting our entrepreneurs and innovators, these are set out in our priorities and apply across all sectors. Delivering inclusive growth is a key theme within this strategy. This is about ensuring that people and places contribute to and benefit from growth to their full potential. Our priority activities are set out in the Economic Growth Strategy Action Plan. The Action Plan identifies the projects and approach that Torbay will be taking to support the local economy.

This document can be made available in other languages and formats. For more information, please contact Terri Johnson terri.johnson@tda.uk.net
