



Title: **Economic Strategy 2013–2018 Progress Update**

Wards Affected: **All Wards in Torbay**

To: **Overview & Scrutiny Board** On: **18 June 2014**

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Background

1. The Torbay Economic Strategy 2013-18 was published in July 2013. It set out the following overarching objective:

To create more full time and sustainable employment by encouraging the growth of existing businesses and the creation of new businesses and social enterprises.

2. The actions required to deliver this objective are grouped under four priorities, reflecting the need to create more jobs in the short term by:
 - a. driving business growth
 - b. sustaining the core economy
 - c. raising skill levels/promoting opportunities for all
 - d. nurturing the knowledge economy

Each priority has a detailed action plan setting out how it will be achieved and the projects which need to be brought forward to do this. This report sets out the progress which has been made in moving these action plans and projects forward since the strategy was published.

3. The strategy prioritises the following activities:

Activity	Progress
Market led masterplanning, dovetailing with Local and Neighbourhood Plans, to identify appropriate town centre regeneration projects for Torquay Town Centre development by the end of 2013	The Torquay masterplan is under development. It is due for completion in August 2014.
Market led masterplanning, dovetailing with Local and Neighbourhood Plans, to identify appropriate town centre regeneration projects for Paignton Town Centre development by the end of 2014	The Paignton masterplan is under development. It is due for completion in August 2014.
Implement local development orders (LDOs) for White Rock, Torquay Gateway and a town centre site to be	The emerging Local Plan sets out the Council's intention to use LDOs to help reduce the burden on businesses

confirmed	through increasing permitted development rights. It is intended to pilot several LDOs within the first 5 years of the Plan. Officers will work to identify sites where LDOs will offer maximum value, for example Edginswell and White Rock.
To bring forward new and revitalised employment space in the Torquay Gateway	A masterplan is under development for the Torquay Gateway site. Expected to be approved later in the summer the emerging plans would bring forward employment space in and around Edginswell business park.
Bring forward the Claylands site in Paignton for an employment scheme	The Claylands site has been included within the Clennon Valley proposals for leisure use. The current proposal is estimated by the developers to create approx 650 jobs. Officers are now working within the masterplan process to identify an alternative site.
Supporting delivery of the marine economy action plan for Torbay including seeking support for harbour infrastructure improvements in Brixham and Torquay and improved infrastructure for the fish processing sector	<p>The Peninsula (City) Deal has identified Brixham as a strategic site for the marine economy in the far South West. Officers are now seeking ways in which this status can be used to secure investment for a marine employment scheme in Brixham.</p> <p>The fishing industry is vitally important to the port of Brixham with 23% of the work force employed in the sector. Brixham boasts the highest value catch (£21.7m) of any port in England.</p> <p>Fish processing in the Torbay area generates £50m to the economy which represents 11% of UK sea fish processing GVA.</p> <p>There is recognised local demand for developing a fish processing park in order to further support and develop the sector, increase employment and GVA through the provision of a 24,000 sq ft facility; the proposal is to include 12 units (flexible design) plus meeting/training facility. Each unit will consist of ground floor production space with office/storage on the first floor level.</p> <p>Each unit will be constructed to food industry production standards.</p>
To work with the Heart of the SW	The Mayor and officers have worked to

<p>Partnership and partners to increase investment in economic infrastructure in Torbay</p>	<p>influence development of the LEP's strategic economic plan¹ and EU investment strategy². Both of these have scope to support economic infrastructure including transport links and business incubation space.</p> <p>The following transport schemes are identified for potential funding through the LEP Growth Deal:</p> <ul style="list-style-type: none"> ○ Torquay Gateway (15/16) ○ Edginswell Station (15/16) ○ Torquay town centre and harbour side ○ A385 Totnes Road, west of Paignton
<p>Secure funding for the White Rock Innovation Centre</p>	<p>An application has been submitted to round three of the Coastal Communities Fund to match fund Torbay Council's allocated funding. A decision on whether we will be invited to Stage 2 is expected in July.</p>
<p>Seek to identify funding in support of small business grants in Torbay</p>	<p>The Mayor sought approval to establish the Torbay Growth Fund³ (TGF) in summer 2013. It has now committed £371,000 to companies who will create 105 jobs. There is a pipeline of companies bringing forward applications.</p> <p>Where the TGF is not appropriate businesses have been signposted to alternative sources of funding such as the Plymouth GAIN fund.</p>
<p>Support the tourism sector through continuing to seek to extend the tourism season, increase the number of events and identify the potential for a new all weather attraction.</p>	<p>An application has been submitted to round three of the Coastal Communities Fund to support an increased events programme across Torbay.</p> <p>The Clennon Valley scheme includes significant investment in sporting and tourism infrastructure.</p>
<p>Support home based businesses through the creation of Workhub facilities</p>	<p>The Works facilities⁴ opened in Brixham and Torquay in January 2014 and now have 10 members. To date the sites have engaged with nearly 150 home based businesses through events and regular 121 business advice and networking sessions. Significant work has been</p>

1 <http://www.heartofswlep.co.uk/strategic-economic-plan>

2 <http://www.heartofswlep.co.uk/SIFfinaldraft>

3 <http://www.torbaydevelopmentagency.co.uk/invest-in-torbay/torbay-growth-fund>

4 <http://www.theworkstorbay.com/>

	done to develop a social media profile to ensure the workhubs are marketed to hard to reach businesses and attract new members.
Develop and deliver with partners a growth programme for businesses and social enterprises including start up support, innovation and export	<p>The Outset Torbay start up support programme has now created over 300 jobs.</p> <p>The TDA is delivering a number of government lead business support programmes including New Enterprise Allowance, Ready for Business and Start up Loans Scheme supporting over 350 people creating over 100 new businesses, with more in the pipeline.</p> <p>The South Devon Export Network was started in 2013 and since held 3 events attracting 150 businesses. The Network is now exploring the possibility of a trade mission for the Network, in partnership with UKTI</p> <p>During 2013/14 UKTI ran monthly 1-2-1 sessions from the Innovation centers supporting over 15 local businesses. This is now being delivered by TDA business advisor helping businesses to become ready for export.</p> <p>To ensure continuation of this kind of support in future Torbay has worked with partners to develop the business support element of the Plymouth City Deal and influence the type of activity which can be funded under the 2014-20 EU programme.</p>

4. Alongside these priority actions a number of other actions have been undertaken to support delivery of the strategy action plans.

Driving Business Growth

5. This priority seeks to expand the existing business base through start ups and increased entrepreneurial activity in Torbay. Both of these are widely acknowledged as being important drivers of economic prosperity. Key activities either being delivered or planned under this priority include:

6. Access to finance –

- a. The TDA has delivered a number of access to finance events to over 120 local businesses promoting how to improve your chances of accessing finance in a period when lending has become restricted as well as raising awareness and the range of funding options available including equity funding, crowd funding and micro credit funding.
- b. Loans of last resort are available through the urban enterprise programme providing particular support to nearly 60 start up businesses in the Bay's most deprived areas.
- c. As a sub-contractor for the governments start-up loan programme, the TDA provides 1-2-1 support with completing the loan application and developing the business plan; once the business starts, further mentoring support is available for up to 12 months. This improves the likelihood of success with securing start up finance and business survival.
- d. Funding has been secured via the Plymouth & Peninsula City Deal to deliver a series of finance workshops across the LEP area. As part of this, a Finance for Growth session will be run on 24th June at the South West Energy Centre. These will build upon the recent access to finance events referred to above.

7. Development of Torbay Enterprise Areas –

- a. The Mayor, together with the TDA & business community has successfully lobbied the LEP and government to secure inclusion of 3 Torbay wards, Blatchcombe, Shiphay and Tormohun, on the 2014-20 Assisted Areas map. While there is no funding linked to this status by right the label does ensure that businesses in those areas can access greater support from available business grant programmes and the designation puts Torbay in an improved position to argue for future funding. Finally when combined with the LDO's it is a powerful inward investment tool.

8. Collaborative project development with high value sectors –

- a. As a result of the work of the hi tech forum the college is actively progressing a hi tech skills centre which will complement White Rock Innovation Centre and anchor the electronics cluster here.
- b. In response to demand from the Hi Tech Forum South Devon College has developed an electrical engineering training framework for apprentices.
- c. Chaired by the Mayor the quarterly Manufacturing Forum meets to support the development and growth of the sector. With over 100 contacts in the Manufacturing sector across Torbay and South Devon the forum meets to discuss opportunities like apprenticeships and developments in marketing techniques, and hear from partners like the University Technical College to facilitate better engagement and collaboration.

9. Preparing for Export –

- a. The South Devon Export Network was formed in 2013 to help Torbay businesses move into exporting. It has held 3 events to date attracting over 150 businesses. Each event will focus on a particular country looking at its culture, challenges and opportunities; there will be an in depth presentation on particular barriers to international trade and how to overcome them; a case study from a local company talking about their exporting experiences. Forthcoming events include a focus on Hungary in September 2014 and the TDA is exploring with attendees the potential for a Torbay trade mission later this year.
- b. 1-2-1 sessions with UK Trade & Investment have also been made available for businesses. This is now being further developed with the TDA providing export 1-2-1 sessions helping businesses to be ready for UKTI support and programmes.

10. ICT and superfast broadband adoption –

- a. Torbay Council is a partner in the Connecting Devon and Somerset programme, which has secured funding from Government to support broadband rollout. By the end of the programme and BTs commercial roll out Torbay should have one of the highest proportions of superfast broadband coverage in the country.
- b. TDA is delivering Superfast Business support across South Devon and is expecting to support over 150 businesses; to date 83 businesses have received support 20% of which are based in Torbay.

11. Business Support Programme –

- a. The TDA is a partner in delivering the DWP's New Enterprise Allowance programme helping people on Job Seekers Allowance into self employment. To date, over 100 people on JSA have gone on to start up their own business with our support and guidance (see appendix 1 for a case study)
- b. As a delivery partner for Business West, the TDA delivers a monthly Ready for Business workshop designed to help people better understand what it takes to start up a business. In the last 12 months, over 90 people have attended this one day course with 25% of delegates going on to start a business.
- c. The TDA is rolling out a comprehensive business support programme offering business diagnostic, advice and guidance, business planning support and a range of workshops covering social media, finance, sales, marketing and export (see appendix 2 for a case study)

Sustaining the Core Economy

12. This priority seeks to increase the attractiveness of Torbay as an inward investment destination within the core economy through improved infrastructure and a distinctive offer to promote the area. The actions promote appropriate uses of sites and premises, and facilitate their development through agreeing planning frameworks and working with developers, linked to priority sectors.

13. There are also actions designed to improve the tourism offer and support the fishing industry to enable Torbay to continue to compete in these sectors. Key activities either being delivered or planned under this priority include:

14. Northern Arm and Torquay Harbour Extension –

- a. The 2013 Port Masterplan identified both these projects as medium term priorities. Funding has yet to be identified to deliver them.

15. Development of a Fish Processing Park –

- a. A feasibility study exploring the deliverability of a fish processing park was completed in December 2013 and identified significant demand from local processors. 6 companies would look to move all or some of their production to this site and a further 2 require additional freezer space which could be located at the park. Development of the park is significant as a similar development in Grimsby is expected to create up to 200 jobs. The study highlighted the importance of processing to the Torbay economy:
 - Fish processing contributes approx £50m to the economy
 - There is potential to maximise the value of catch landed at Brixham, adding value locally rather than shipping unprocessed fish elsewhere.
 - Brixham is ranked as one of the UK's leading fish brands and building processing capacity will capitalise on this
- b. The project is now being progressed to site identification and design stage with a view to applying to the European Maritime and Fisheries Fund when it opens in January 2015. It will seek to develop a 24,000 sq ft processing park housing 12 units with processing and office space. The site would also offer training facilities to address the skills needs (eg fish filleting) associated with processing.

16. Town Centre Development –

- a. Masterplans are currently being developed for Paignton and Torquay town centres. Due for completion in August 2014 these will provide a platform from which to bring forward development.

17. Torquay Pavilion/Marina Car Park –

- a. The TDA is continuing to support developers to bring forward this scheme. A planning application has now been submitted, with a decision anticipated to be reached in September 2014. If granted we would expect work to begin on site around Easter 2015 with completion in late 2016.

18. Support and develop marine sector skills –

- a. Brixham has been identified as a strategic site in the Plymouth City Deal, there is interest from a number of companies in locating at Oxen Cove; these enquiries are currently being progressed.
- b. There is now an opportunity to promote further marine skills development through Plymouth University's acquisition of the Brixham Environmental Laboratory from Astra Zeneca. The Mayor and officers are working closely with the University of Plymouth to ensure that Torbay and Brixham in particular experiences benefits from their investment. It is expected that the University will use the site to deliver some degree and post graduate level teaching, it will continue to host in the short term a small Astra Zeneca team and there are a number of other businesses moving in to take up space at the site.

19. Public Sector 'Hub' –

- a. A business case has been developed to create a proposition for inward investors including government relocations. If fully implemented it is anticipated the hub will create approx 1500 jobs. It will also generate capital receipts by freeing up other assets, reduce running costs and help deliver integrated customer service.
- b. Architects drawings have been created and a submission made to include Torbay in the One Public Estate programme⁵ to secure initial investment. There is also an opportunity to explore further funding opportunities such as the Transformational Challenge Fund⁶.

20. Inward Investment work has continued. Building on the Westminster event of 2013, the purpose of which was to raise the profile of Torbay as a business location to key decision makers, intermediaries and potential investors, many of whom are based in London. As a result of this event, the Public Sector Hub project referenced above is currently being progressed. The TDA is also tracking a large international electronics company which has a medium term plan to expand into Torbay.

⁵ http://www.local.gov.uk/productivity/-/journal_content/56/10180/3932538/ARTICLE

⁶ <https://www.gov.uk/government/publications/transformation-challenge-award-and-capital-receipt-flexibility-2014-to-2016-prospectus>

21. The 3rd annual Manufacturing Technology and Innovation (MTI) exhibition took place to further highlight the importance of the hi tech sector in Torbay and South Devon. The event has grown year-on-year and MTI 2013 attracted 40 exhibitors and 450 delegates.
22. The US Lead Generation campaign which the Mayor has spearheaded started during the summer of 2013. This project is focussing on promoting Torbay to companies on the West coast of America. Over 30 leads have been identified with several classed as potential projects. The TDA's Inward Investment Manager visited the USA earlier this year in order to meet with a number of these companies to further promote Torbay as a business location. We continue to work with these companies and aim to host a number of visits before June 2015 so they can see for themselves what Torbay can offer.
23. The TDA runs an aftercare programme to offer support to a small number of significant companies base on ownership (ie. foreign owned), sector or size. We aim to meet with these companies at least once a year to better understand their plans and offer support where we can.
24. 58 inward investment enquiries were received during 2013/14, 65% of which were in the key sectors of Electronics, Advanced Engineering, Manufacturing, Medtech/Life science and Marine

Raising Skill Levels and Promoting Opportunities for All

25. Low skill levels and worklessness are closely linked, and this priority seeks to address the barriers to employment faced by some groups within Torbay. Based around the Work and Skills Plan the aim is to create a coordinated approach to addressing worklessness and improving skill levels. Key activities being delivered or planned under this priority include:
 26. Apprenticeship Development –
 - a. This Coastal Communities Funded project in partnership with South Devon College has supported employers to take on 3 apprentices to date with a further 12 in the pipeline. The total number of apprenticeships created by the programme should reach 60.
 27. Torbay Works –
 - a. Funding of £67,000 has been secured from Job Centre Plus and the National Apprenticeship Service to deliver a new web based portal (www.torbayspace.co.uk) providing a one stop shop for young people aged 18-24 seeking advice on training, and work placements. The portal also offers a gateway for employers to pledge their support and commitment to taking on apprentices. 80 employers will be supported through a grant to

provide 80 new apprenticeships. The portal went live on 2nd June and will be launched at the opening of Careers and Skills Week on 6th June.

- b. The Torbay Works approach will be further progressed through the 2014-20 EU programme. Funding is also being sought through the transformation challenge fund to further develop the interactive element of the portal to offer advice and guidance to 16-18 year olds and create an electronic jobs board.

28. Social Enterprise Development –

- a. The Torbay Social Enterprise Network was formed in 2013. It now has over 80 members and has organised several events covering such topics as procurement, social media and marketing designed to provide business growth advice specifically for the social enterprise sector.
- b. This network provides a strong legacy from the Social Enterprise element of the ERDF Urban Enterprise Programme, as well as a growing voice for the social enterprise sector locally.

Nurturing the Knowledge Economy

29. The core Torbay economy is underpinned by the service and tourism sectors. If we are to increase Gross Value Added and wage levels in the longer term there is a need to develop the more productive and better paid knowledge economy. Key activities being delivered or planned under this priority include:

30. Electronics & Photonics Innovation Centre (White Rock Business Centre) –

- a. A business case has been developed, exploring the need for a centre dedicated to increasing innovation in the electronics/photonics industry and the equipment this would need to provide.
- b. A funding application has been submitted to the Coastal Communities Fund for capital to build the White Rock Business Centre. Notification of whether we expect to progress to Stage 2 of this fund is due in July.
- c. Work is continuing with partners to develop a shadow board for this centre and the support from the private sector required to secure Technology Strategy Board funding.

31. Awareness raising amongst younger people of career prospects in hi tech sectors –

- a. The TDA is continuing to support the Hi Tech Forum education sub group, promoting links between schools and employers. The proposed electronics and photonics innovation centre will develop this further and additional support for this activity will be sought from the 2014-20 EU programme.

Future Funding and Activity

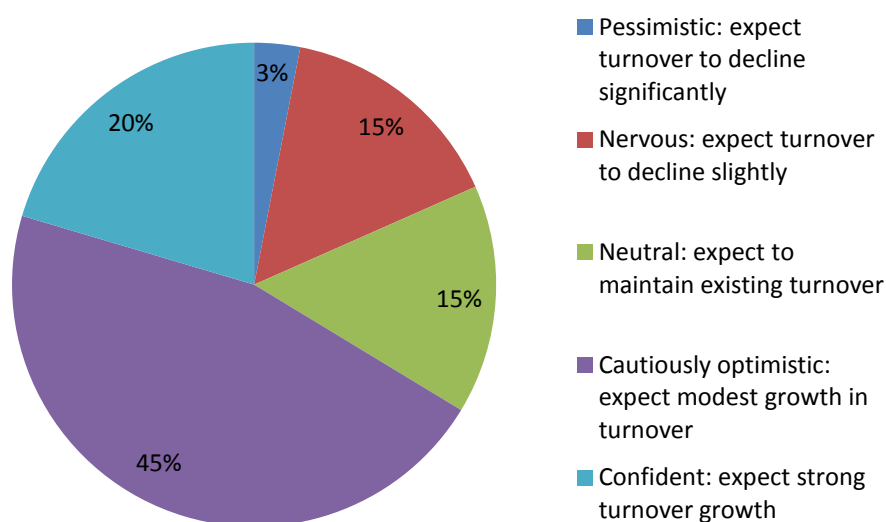
32. Much of the progress against the strategy outlined above is through revenue projects or business case development. The capital projects identified within the strategy are large scale and will require significant investment.
33. In order to forward capital projects in the future the Mayor has been lobbying the Heart of the SW partnership with Council and TDA officers working to support the development the LEPs investment priorities for the 2014-20 EU programme and the local growth deal. The process of securing funding will be highly competitive and officers are working to ensure that planning, transport and economic development are aligned so that transport and planning activities support local business growth. In doing this we are seeking to ensure to secure investment to deliver more of the priorities identified in the Economic Strategy.
34. Support for the following priorities from the Torbay Economic Strategy is included with the LEP documents:
- Business support including access to finance, business start up and export support
 - Attracting and retaining higher level skills
 - Electronics/photonics and health have been identified as key sectors within the LEP smart specialisation approach to innovation
 - Support for the innovation model identified above for the electronics/photonics sector
 - Digital literacy
 - Support for social enterprise
 - Various transport schemes
 - Further education capital funding support for a training hotel facility run by South Devon College
 - Potential to add value to the fishing industry through processing
35. Work will continue to develop projects within the strategy to enable funding to be sought once it becomes available, most likely from the first quarter 2015.

Alan Denby
Torbay Development Agency

Appendix 1 – Excerpt from winter 2013 Business Barometer

The following will give Overview and Scrutiny members an indication of business views at the time the barometer survey took place. The summer 2014 barometer will be released before the end of June with results expected in August. The barometer is a survey regularly attracting over 70 responses from businesses across Torbay which allows for questions to be asked on a variety of issues including planning, skills, transport, access to finance and attitudes to export. The responses are used to inform the work of the TDA and are publicised on the TDA website and in local newspaper.

Thinking specifically about turnover, how do you expect your business to perform over the next 12 months?



In the last survey 11% were pessimistic and 17% nervous, only 9% were confident compared to 20% this time showing businesses are expecting the economy to improve.

How do this month's sales compare to the same month last year?

Compared to the previous survey sales seem to be stabilising, with a lower percentage reporting a fall year on year.

	Winter 2013/14	Spring/Summer 2013	Autumn 2012	Spring 2012	Autumn 2011
Better	45%	48%	48%	43%	42%
The same	27%	10%	19%	23%	19%
Worse	23%	38%	32%	27%	32%

Future Developments & Challenges

This section aims to establish why businesses are currently based in Torbay, what keeps them here and what would cause them to leave. Some questions were also included to gauge what businesses feel the impact of the South Devon Link Road will be.

Do you think your business will still be in Torbay in 10 years?

74% of businesses think they will still be in Torbay in 10 years time, an increase from 65% in the last survey.

What factors are likely to constrain your growth at your current location?

The factors seen as most important in constraining growth were digital connectivity (32%) and general economic conditions (27%). Coastal defence/flood risk was seen as not at all important in constraining growth by 74% of respondents and housing availability by 65%.

What factors are likely to support your growth in your current location?

The factors most important in supporting growth reflect those seen as the greatest threat, general economic conditions (44%) and digital connectivity (35%).

Size of premises

Perhaps unsurprisingly given the prevalence of small businesses in the Bay small units are the most commonly occupied, with 35% of respondents occupying space of less than 500 sq ft. This is also the biggest requirement going forward.

	What size premises do you occupy at the moment?	What size premises would best suit your needs over the next 5 years?
0-500 sq ft	35%	26%
500-1000 sq ft	14%	17%
1000-1500 sq ft	9%	11%
1500-2000 sq ft	6%	6%
2000-3000 sq ft	2%	2%
3000-5000 sq ft	9%	11%
5000-10000 sq ft	5%	3%
10000-20000 sq ft	5%	9%
Over 20000 sq ft	8%	

On a scale of 1-10 with 10 being the highest how important are the following to you?

Good digital connectivity and good road access were the factors seen as most important to respondents, with 44% and 33% respectively rating these a 10.

Rank of importance with 10 being highest	Modern building space	Good road access	Being located near like minded businesses or those in the same sector	Access to advice and business support	Availability of skilled employees
1	14%	0%	20%	17%	15%
2	8%	3%	2%	11%	5%
3	8%	5%	8%	21%	6%
4	5%	3%	3%	9%	5%
5	12%	5%	18%	6%	12%
6	2%	9%	8%	3%	5%
7	8%	14%	5%	8%	9%
8	11%	15%	9%	9%	11%
9	8%	9%	8%	2%	6%
10	23%	33%	17%	11%	23%

Rank of importance with 10 being highest	Availability of homes for employees	Road frontage location	Good digital connectivity	Space for future expansion	The quality of Torbay's natural or built environment
1	29%	35%	8%	12%	11%
2	0%	6%	0%	3%	5%
3	6%	9%	2%	3%	5%
4	12%	3%	0%	6%	3%
5	12%	9%	8%	12%	14%
6	17%	5%	6%	8%	6%
7	8%	2%	6%	15%	8%
8	6%	12%	12%	6%	18%
9	2%	2%	14%	8%	8%
10	5%	14%	44%	21%	20%