



**Meeting: Harbour Committee**

**Date: 21<sup>st</sup> March 2016**


**Wards Affected: All wards in Torbay**

**Report Title: Economic Impact Assessment of Tor Bay Harbour**

**Executive Lead Contact Details: Non-Executive Function**

**Supporting Officer Contact Details: Kevin Mowat**

**Executive Head of Business Services  
Tor Bay Harbour Master**

 **Telephone: 01803 292429**

 **E.mail: [Kevin.Mowat@torbay.gov.uk](mailto:Kevin.Mowat@torbay.gov.uk)**

---

## 1. Purpose

- 1.1 This report provides the Harbour Committee with information regarding a recent study into the impacts of Tor Bay Harbour on the local economy.
- 1.2 It highlights the key findings from the study and provides the background reasons why an Economic Impact Assessment was commissioned.
- 1.3 The Harbour Committee is asked to note the Tor Bay Harbour Economic Impact Assessment Study (2016) attached as Appendix 1 and in particular, the key findings set out in section 2.5 below.

## 2. Summary

- 2.1 In March 2015, ERS Research & Consultancy Ltd were commissioned by the Torbay Development Agency, on behalf of Tor Bay Harbour Authority, to undertake an independent assessment of the strategic and economic impacts associated with Tor Bay Harbour.
- 2.2 The study, primarily based on secondary research, found Tor Bay Harbour to be an important asset to the local economy facilitating a variety of economic activity and supporting key strategic priorities.
- 2.3 In reaching its conclusions, the study assessed the Full Time Equivalent (FTE) employment and Gross Value Added (GVA) arising from the operation of Tor Bay Harbour, the commercial activities it facilitates and its role in the visitor economy.
- 2.4 Government guidance and good practice requires that 'additionality' be considered so that net (as opposed to gross) impacts can also be presented. Simply stated, 'additionality' is the proportion of economic impacts that occur that would not happen in the absence of an organisation/activity.

- 2.5 After aggregating a range of economic impact results, the study concludes that Tor Bay Harbour is of key economic and strategic importance. The study identifies the following impacts (in 2015) arising from the operation of the harbour, including the commercial activities it facilitates and its role in the visitor economy :-
- Total gross impact equal to 2,436 FTE and £89.8m GVA
  - **Total net impact equal to 1,377 FTE and £50.9m GVA**
  - For every £1 spent by Tor Bay Harbour Authority £42 of Gross GVA was generated in the local economy
  - **For every £1 spent by Tor Bay Harbour Authority £24 of Net GVA was generated in the local economy**
- 2.6 The multiplier expressed in the final bullet point above will appear high because Tor Bay Harbour links closely with both fishing and tourism, which account for a large proportion of the local Torbay economy. However, the figures remain very impressive and they clearly demonstrate the value added benefits of harbour related investment.
- 2.7 Gross Value Added (GVA) represents the value of goods and services produced in an area, industry or sector of an economy. The Office of National Statistics (ONS) regards GVA as one of the most important indicators of regional economic performance and it is regularly used to demonstrate the economic activity of organisations.
- 2.8 Full Time Equivalent (FTE) employment is a figure that captures employment in a manner which accounts for differences in working hours, such as part-time work.

---

## Supporting Information

### 3. Position

- 3.1 Between October 2012 and June 2015 Tor Bay Harbour (Torbay Council) participated in a €3.8m cross-border project that was 50% co-financed by the European Regional Development Funds (ERDF) under the Interreg IVA France (Channel) - England territorial cooperation Programme.
- 3.2 The project was aimed at Fostering Long-Term Initiatives in Ports (FLIP). The FLIP project sought to promote a sustainable cooperation between small & medium sized ports in the Channel area by promoting exchanges of experience around transportation, logistics, energy and renewables/eco- innovation through :-
- Increased cross border sharing of best practices between small and medium sized ports to promote innovative, sustainable and diversified port activities.
  - By building the internal capacity of port management, improve performance, sustainable transport links, facilitate trade, promote innovation, embrace resource efficiency and boost the economy of the region.

- Improving governance between the ports and their local communities and making the most optimal use of available resources

- 3.3 As part of the FLIP project, Tor Bay Harbour Authority asked the Torbay Development Agency to commission an independent analysis capturing the strategic and economic impacts associated with the ongoing operations of Tor Bay Harbour. In March 2015 ERS Research & Consultancy were appointed to undertake this work.
- 3.4 Through assessing the strategic and economic importance of the harbour, the study presents an analysis of relevance to not only the FLIP Project but also more importantly Torbay Council and the local community. The economic outputs identified by the study will also be of interest to the Heart of the South West Local Enterprise Partnership (LEP) and should provide useful data for future funding bids related to harbour investment. Results from this study will help to raise the profile of Tor Bay Harbour and highlight the significant contribution that the Harbour Authority makes to the local economy.
- 3.3 Other studies undertaken for Tor Bay Harbour Authority (Torbay Council) as part of the FLIP Project include the following :-
- Cathodic Protection Feasibility Survey - Torquay Harbour
  - Structural Survey of the Old Fish Quay - Torquay Harbour
  - Tor Bay Harbour Quays & Piers - Cost Estimates and Valuation Report
  - Cruise Study – Benefits & Opportunities for Tor Bay Harbour
  - Tor Bay Harbour Authority – Port Masterplan

## **Appendices**

- Appendix 1 Tor Bay Harbour Economic Impact Assessment Study – Final Report (ERS Research & Consultancy Ltd – 2016)

## **Additional Information**

None