

Meeting: Cabinet **Date:** 15th November 2022

Wards affected: All wards

Report Title: Torbay Economic Growth Strategy

When does the decision need to be implemented? 15th November 2022

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1. Purpose of Report

- 1.1 This report introduces the draft Economic Growth Strategy 2030 which provides direction for Torbay Council and its partners responsible for championing Torbay and delivering, with its communities, in respect of the economic development of the place.
- 1.2 Torbay Council, through TDA, has been delivering the Economic Repositioning Plan for 2 years. The Plan was developed in response to the Covid 19 Pandemic and whilst several actions remain relevant, the challenges facing the economy are now more pronounced. As a result, a new Strategy is required that will address these challenges, build upon our successes, and drive Torbay's economy forward.
- 1.3 The extent of the challenges facing Torbay's economy set out a compelling argument for economic growth to be the strategic priority for the Council in the coming years given the risk that a failing economy presents for education, health and other outcomes. Ensuring that there are resources to deliver the subsequent action plan at a time of likely spending restrictions on Councils will be difficult notwithstanding the significant capital funding that has been secured in the past two years and which will catalyse town centre change.
- 1.4 Like the preceding Economic Strategies, this new Strategy is evidence led. To support this, a revised Evidence Base document has been developed that will inform the new strategy (see appendix 1).
- 1.5 Recognising the complexity of the issues leading to slower growth, and ultimately resulting in poorer outcomes and experiences for the community, this report recommends that the strategy set an ambition for the longer term, to 2030. This longer time frame, with a clear vision that communities and partners can endorse and support, is underpinned by shorter

term actions and indicators that are subject to review at a period to be determined by Cabinet.

- 1.6 Torbay's economy continues to fall behind the UK average. This new Economic Growth Strategy sets the framework and key actions required to transform our economy. Maintaining the status quo will simply see the local economy fall further behind deepening the health and social challenges in the community. If we are to transform Torbay's economy, help turn the tide on poverty and positively impact upon our community's health, wellbeing and pride in place, we will need committed and increased resources.

Current Position

- 1.7 Deyton Bell, an economic development consultancy, has undertaken a review of the evidence base (appended) and national policy. They have also consulted with key stakeholders and businesses across Torbay. This included one-to-one meetings, a questionnaire which returned over 50 responses, and attendance at pre-arranged group meetings, such as the Torbay Hi Tech Cluster and Torbay Business Forum. Deyton Bell have now produced the the final Economic Growth Strategy and are assisting with the development of the action plan which will be presented to a subsequent meeting of the Cabinet upon approval of the Economic Growth Strategy.
- 1.8 The Strategy identifies 4 priority areas through which we can make the necessary interventions to support the local economy and its businesses. These priorities will be underpinned by an action plan which sets out the initiatives that will enable growth across Torbay.

The proposed priorities are:

- Supporting innovators, entrepreneurs and business owners

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

- Building on our economic specialisms

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

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

At the heart of the Council's Corporate Strategy and Community Plan and this Economic Growth Strategy are the people of Torbay. We will work with residents and businesses to create the social prosperity that allows everyone to live and contribute well and turn the tide on poverty.

- Maximising economic value of natural capital

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

- 1.9 In addition to the priority areas, the Strategy will contribute to tackling the Climate Emergency. The subsequent action plan will set out the actions required to take forward our priorities. This will also be accompanied by a monitoring and evaluation plan to enable effective monitoring.
- 1.10 Being able to determine what difference the Strategy is making will be fundamental to its success. Whilst all actions will have relevant key performance indicators, there are a series of key outcomes that the Strategy aims to deliver on. These are:
- Creating more full-time job opportunities for Torbay residents and provide good work for all
 - Reducing our impact on, and increasing resilience to Climate Change
 - Increased Gross Value Added (GVA) per worker, average worker income and productivity – addressing our current position of one of the areas with the lowest GVA per capita in England
 - Improvement in educational attainment and workforce skills– increasing the number of residents qualified to deliver the jobs needed by local business
- 1.11 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 sets out the basepoint and future targets which the delivery of the strategy will be measured against.

2. Reason for Proposal and its benefits

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

3. Recommendation(s) / Proposed Decision

That the Cabinet recommends to Council

- 3.1 That the Torbay Economic Growth Strategy be approved; and
- 3.2 That subject to 3.1 above the Torbay Economic Growth Strategy Action Plan be presented to a subsequent Cabinet meeting for approval.

Appendices

Appendix 1: Supporting Evidence Base

Appendix 2: Draft Economic Strategy

Background Documents

Supporting Information

1. Introduction

Background

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

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

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

1.2 Deyton Bell have delivered this work in 5 key phases:

Phase 1 - Contract mobilisation

Phase 2 – Review of data/information

Phase 3 – Stakeholder engagement

Phase 4 – Draft Economic Strategy

Phase 5 – Final Economic Strategy

Evidence Base

1.3 To support the development of the Economic Strategy, TDA has developed a supporting Evidence Base (see appendix 1). The Evidence Base will help shape, inform the Strategy,

and provide an update on the local economic picture, highlighting emerging issues and opportunities, and secure a better understanding of Torbay's economic performance and drivers of growth. A few notable points to highlight:

- Torbay is home to circa 136,218 people, nearly half of which (49.4%) are aged 50 or over. The lowest representation comes from ages 16 to 24, accounting for around 8%.
- Torbay's workforce has decreased 2.1% from 2015 to 2020.
- Torbay deprivation is worsening with 27.4% of the population living in the country's most deprived areas.
- Torbay continues to have high level of part time work in comparison to regional and national averages.
- 9% of residents have no qualifications, 29.4% are classified as graduates but this figure is notably lower than regional and national averages. Torbay now falls behind regional and national average across all NVQ levels.
- Photonics and microelectronics sector continues to grow, creating high skilled jobs for local people. GVA in this sector is twice the Torbay average.
- Torbay's fishing industry remains important, landing circa £31M value of fish, supporting 499 jobs.
- Superfast broadband is available across 95.3% of the area.
- In 2021 the unemployment rate was 2.3% the lowest it has been for five years. Long term unemployed and youth unemployment figures are falling.
- Vacancy rates are at the highest level for 5 years and significantly exceed the number of people looking for work.
- There is a mismatch between the skills employers need and the skills employees offer.
- Collective performance of Torbay's schools has improved since 2019 however the attainment gap between disadvantaged and non-disadvantaged pupils has grown.

Consultation

1.4 Deyton Bell set out a consultation process with key stakeholders covering; key business, economic and political stakeholders, and those identified by TDA, including:

- Local Authority members and officers
- Jobs, skills, education and skills contacts including Department for Work and Pensions
- Industry/commerce contacts including representatives from key infrastructure projects
- Business representative networks/membership groups, Destination Management Organisation
- Business support organisations (HM Government agencies, Enterprise agencies, BIDS)
- County Council and Local Enterprise Partnership colleagues/partners

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

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

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

Public consultation findings

- 1.6 The public consultation ran from w/c 18th July through to October 2nd has provided the following

There were over 1,100 visits to the consultation on Engagement HQ

Of these visits, 814 visited at least one page on the Economic Growth Strategy consultation pages, 310 visited more than one page.

468 visitors took the next step and became more 'informed'.

- 310 visited multiple pages
- 210 downloaded a document
- 164 took part in the survey – to note, there were 173 submissions by 164 contributors
- 11 visitors viewed the key dates 19 times

353 downloads of a document were made by 210 visitors:

- the draft strategy was downloaded 189 times
- the draft action plan 113 times
- the evidence base 51 times

- 1.7 Several free form comments were made in the public consultation. These include

- Strengthening the commitment to net zero and carbon reduction

- The need for more affordable housing
- Key area of challenge has been around the sectors with only 54% of respondents agreed with them.
 - There was challenge around the importance and need to support both the fishing and tourism sectors, with a number of views suggesting we shouldn't be supporting these sectors.
 - Comments were also received on the need to strengthen opportunities around health.
 - Research undertaken by University of Exeter into the Creative Industries indicates there is an opportunity here to be further explored citing sector opportunities in coastal areas

1.8 Comments from Overview and Scrutiny committee were as follows

- that the Strategy includes SMART (Specific, Measurable, Aspirational, Realistic and Timely) targets with achievable milestones to enable Members to clearly monitor the progress made in delivering the key objectives of the Strategy;
- to include reference to the risks associated with Freeports and that this has been consciously considered;
- to include clearer signposting references to other key Council policies and strategies and to ensure that all strategies are cross referenced and complement each other (e.g., Housing Strategy, Local Plan, Parking Strategy etc).; and
- that the continued relationships and partnership working with the three Chambers of Trade and Commerce and Torbay Business Forum be highlighted within the Strategy.

2. Options under consideration

- 2.1 Continue with the existing strategy, this is no longer appropriate as it was developed as a response to the pandemic.
- 2.2 Approve the draft Economic Growth Strategy.

3. Financial Opportunities and Implications

- 3.1 It is expected that there will be both opportunities and implications. The Economic Growth Strategy and subsequent Action Plan will also inform the Council's bidding priorities to funding programmes. The UKSPF is a key government fund that can enable delivery of primarily revenue elements of the Economic Growth Strategy and subsequent Action Plan and therefore has been used as the driver of the Investment Plan required to secure UKSPF funding. However, the UKSPF allocation for Torbay over 3 years was only £1.76M.
- 3.2 The extent of the issues facing the local economy and delivery of the subsequent Action Plan will require a commitment of existing resources and will require additional resources over and above that currently available for delivery. Where possible, other funding sources will be sought.
- 3.3 There are severe implications of a continued or even more pronounced economic failure. The level of skills and ageing workforce risk relocation of higher value businesses, the ageing visitor demographic threatens the prominence of the visitor economy and the direct and indirect income that brings. The level of skills and level of employment has impacts on deprivation along with education, health and other outcomes that ultimately will present back to the authority and the wider public sector as costs. If we experience reduced business rates, fewer visitors, worsening health outcomes and a narrower tax base, then the issues we currently have will be exacerbated.

4. Legal Implications

- 4.1 There are no legal implications with this proposal.

5. Engagement and Consultation

- 5.1 The development of the Economic Growth Strategy involved engagement with key stakeholders and businesses across Torbay using a variety of methods including; online meetings, pre-arranged group meetings, one-to-one meetings and a survey to shape the strategy development.
- 5.2 The Council held a public consultation that ran from 13th July 2022 to 2nd October 2022. Key findings are set out earlier in the report. The relevant findings have informed the draft Economic Growth Strategy and will inform the subsequent Action Plan.

6. Purchasing or Hiring of Goods and/or Services

- 6.1 We developed a brief, set a budget and sought proposals from six suppliers to support with the strategy development work. We received five proposals.
- 6.2 We reviewed each proposal against the brief, including value for money.
- 6.3 We appointed a supplier to support the development and drafting of the strategy.

7. Tackling Climate Change

- 7.1 We have engaged with Torbay Council's Climate Emergency Officer who has provided input into the development of this Strategy.

8. Associated Risks

- 8.1 The adoption of the Torbay Economic Growth Strategy 2022 – 2030 is fundamental in ensuring the Council can set the framework for developing Torbay's economy.
- 8.2 The evidence base is indicating that Torbay is facing new challenges and the current repositioning plan is not addressing these issues. Moreover, the extent of the challenges suggests that there is a compelling argument for economic growth to be the strategic priority for the Council in the coming years given the risk that a failing economy presents for education, health and other outcomes.

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

	Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
Older or younger people	There will be skills focus within the strategy setting out how we can best support the aspirations of our younger people.		
People with caring Responsibilities			No differential impact.
People with a disability			No differential impact.
Women or men			No differential impact.

People who are Black or from a minority ethnic background (BME) (Please note Gypsies / Roma are within this community)	A report has been commissioned to provide a high summary of the issues that face Black and minority ethnic owned businesses and people from those communities who aspire to start their own businesses. This will inform the strategy development.		
Religion or belief (including lack of belief)			No differential impact.
People who are lesbian, gay or bisexual			No differential impact.
People who are transgender			No differential impact.
People who are in a marriage or civil partnership			No differential impact.
Women who are pregnant / on maternity leave			No differential impact.
Socio-economic impacts (Including impact on child poverty issues and deprivation)	The plan will seek to create new job opportunities for residents that will improve the quality of life for them and their families.		
Public Health impacts (How will your proposal impact on the general health of the population of Torbay)	Providing increased employment opportunities can take households from 'workless' to working. This can provide additional income for families to support a healthier lifestyle.		

10. Cumulative Council Impact

10.1 None.

11. Cumulative Community Impacts

11.1 None.